

BOARD OF COSMETOLOGY

| | Actual FY 2020 | Agency Est. FY 2021 | Gov. Rec. FY 2021 | Agency Req. FY 2022 | Gov. Rec. FY 2022 | Agency Req. FY 2023 | Gov. Rec. FY 2023 |
|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Operating Expenditures: | | | | | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 1,086,073 | 1,151,641 | 1,151,641 | 1,162,205 | 1,162,205 | 1,169,064 | 1,169,064 |
| <i>Subtotal</i> | <i>\$ 1,086,073</i> | <i>\$ 1,151,641</i> | <i>\$ 1,151,641</i> | <i>\$ 1,162,205</i> | <i>\$ 1,162,205</i> | <i>\$ 1,169,064</i> | <i>\$ 1,169,064</i> |
| Capital Improvements: | | | | | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Subtotal</i> | <i>\$ 0</i> | <i>\$ 0</i> | <i>\$ 0</i> | <i>\$ 0</i> | <i>\$ 0</i> | <i>\$ 0</i> | <i>\$ 0</i> |
| TOTAL | <u>\$ 1,086,073</u> | <u>\$ 1,151,641</u> | <u>\$ 1,151,641</u> | <u>\$ 1,162,205</u> | <u>\$ 1,162,205</u> | <u>\$ 1,169,064</u> | <u>\$ 1,169,064</u> |

Percentage Change:

| | | | | | | | |
|------------------------|------|------|------|------|------|------|------|
| Operating Expenditures | | | | | | | |
| State General Fund | -- % | -- % | -- % | -- % | -- % | -- % | -- % |
| All Funds | 8.3 | 6.0 | 6.0 | 0.9 | 0.9 | 0.6 | 0.6 |
| FTE Positions | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 |

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The eight-member Board of Cosmetology regulates cosmetologists, permanent cosmetic technicians, tattoo artists, and body piercers, as well as salons/facilities and educational institutions. The purpose of the agency is to encourage and maintain standards and requirements for entrance into the profession consistent with the need for protection of the health, safety, and welfare of the public; provide standardized national testing; inspect new schools, salons, clinics, tanning facilities, tattooing facilities, and body piercing facilities; investigate

complaints; and recommend legislation and promulgate regulations to protect the general public.

The Board licenses cosmetology schools, instructors, cosmetologists, electrologists, estheticians, manicurists, cosmetology technicians, body piercers, tattoo artists, and permanent cosmetic facilities. Instructors are required to obtain continuing education hours to maintain their certification. The Board also contracts with an exam company to administer national standardized written and practical examinations to license students training in the cosmetology and body art fields.

MAJOR ISSUES FROM PRIOR YEARS

In **March 2009**, the agency implemented an enhanced licensure database. Among its additional capabilities, an online renewal process became available for licensees and facility owners. This online process not only facilitated the renewal application and fee payment process for licensees, but also streamlined the accounting process for Board staff. Therefore, this online process allows for a quicker “turn around” whereby the license is issued and sent to the licensee in a shorter time frame than the mail-in process. The mail-in renewal option was maintained for those who do not have computer availability.

The **2013 Legislature** maintained funding for salaries and wages at fiscal year (FY) 2013 levels after adjusting for both committee action and Kansas Public Employees Retirement System (KPERs) increases for FY 2014 and FY 2015. The decreases totaled \$44,879, all from the Cosmetology Fee Fund, for FY 2014 and \$45,329, all from the Cosmetology Fee Fund, for FY 2015.

The **2014 Legislature** added \$120,000 in FY 2014 and \$108,000 for FY 2015 to upgrade the agency’s licensing database and convert paper records to electronic records. Additionally, the Legislature added \$3,594, all from the Board of Cosmetology Fee Fund, for FY 2015 employee bonuses of \$250 for all non-elected employees.

As a result of the **State Finance Council action on July 2, 2015**, the agency’s FY 2017 expenditure limitation was increased by \$70,000 to fund expenditures associated with the Board of Healing Arts hosting the agency’s online licensing system. The **Governor** recommended a transfer of \$700,000, all from the Cosmetology Fee Fund, as part of the July 30, 2016 allotment. The transfer does not impact agency expenditures but is a reduction in its fee fund balance.

The **2016 Legislature** passed HB 2456, which prohibits minors from tanning at licensed tanning facilities. The bill also

allows a Kansas cosmetologist to qualify for licensure as a barber by completing additional cross-over hours.

The **2017 Legislature** did not approve the Governor's recommendation to merge the Board of Barbering with the Board of Cosmetology. For barbering oversight, the merger would have added \$114,297 for FY 2018 and \$114,258 for FY 2019 in expenditures and 1.5 non-FTE positions to the Board of Cosmetology. The Board of Barbering Fee Fund would have been transferred to the Board of Cosmetology.

The **2018 Legislature** added \$13,962, all from the Board of Cosmetology Fee Fund, for salary adjustments for FY 2019 equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives and one step for employees who received approximately one step on the Statewide Pay Matrix in FY 2018.

The **2019 Legislature** added \$17,635, all from the Cosmetology Fee Fund, for a 2.5 percent salary adjustment for most state employees for FY 2020.

BUDGET SUMMARY AND KEY POINTS

FY 2021 Agency Estimate

The **agency** requests an FY 2021 revised estimate of \$1,151,641, all from the Board of Cosmetology Fee Fund. This is an all funds decrease of \$13,325, or 1.1 percent, below the FY 2021 approved amount. The decrease is primarily in contractual services for computer programming services and

travel and in salaries and wages for classified salaries, the Legislative Pay Plan, and retirement contributions. The agency requests 14.0 FTE positions, which is the same number approved by the 2020 Legislature.

FY 2021 Governor Recommendation

The **Governor** concurs with the agency's FY 2021 revised estimate.

FY 2022 Agency Request

The **agency** requests FY 2022 operating expenditures of \$1,162,205, all from the Board of Cosmetology Fee Fund. This is an all funds increase of \$10,564, or 0.9 percent, above the agency's FY 2021 revised estimate. The increase is primarily in salaries and wages for retirement contributions and group

health insurance and in contractual services for rent and the monumental building surcharge. The agency requests 14.0 FTE positions, which is the same number as the agency's FY 2021 revised estimate.

FY 2022 Governor Recommendation

The **Governor** concurs with the agency's FY 2022 request.

FY 2023 Agency Request

The **agency** requests FY 2023 operating expenditures of \$1,169,064, all from the Board of Cosmetology Fee Fund. This is an all funds increase of \$6,859, or 0.6 percent, above the agency's FY 2022 request. The increase is primarily in salaries

and wages for fringe benefits including retirement contributions and in contractual services for communication services. The agency requests 14.0 FTE positions, which is the same number as the agency's FY 2022 request.

FY 2023 Governor Recommendation

The **Governor** concurs with the agency's FY 2023 request.

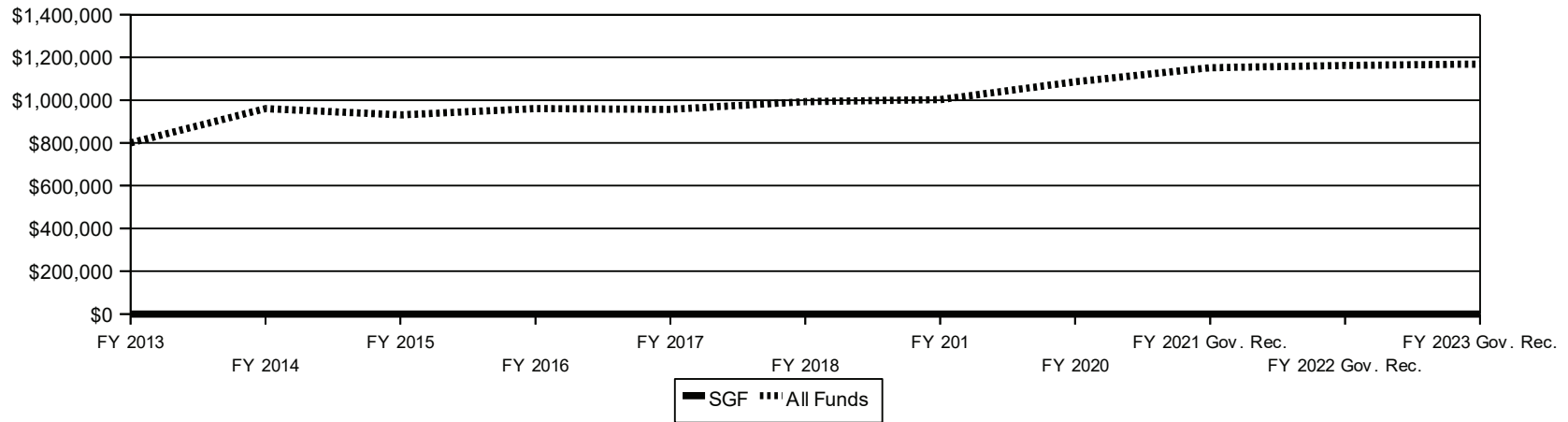
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

| PERFORMANCE MEASURES | | | | | | |
|--|-------------------|-------------------|----------------------|-------------------|----------------------|----------------------|
| Measure | Actual FY 2018 | Actual FY 2019 | Gov. Rec. FY 2020 | Actual FY 2020 | Gov. Rec. FY 2021 | Gov. Rec. FY 2022 |
| Percent of Disciplinary Actions Implemented to Enforce Health, Sanitation, and Infection Control Regulations | 20.7 % | 56.3 % | 54.0 % | 48.0 % | 54.0 % | 50.0 % |
| Percent of Facilities Inspected for Compliance with Health, Sanitation, and Infection Control Regulations | 83.0 % | 80.1 % | 80.0 % | 100.0 % | 85.0 % | 85.0 % |
| Percent of Practitioners Maintaining Current License | 89.1 % | 88.9 % | 89.0 % | 92.0 % | 89.0 % | 90.0 % |
| Agency Expenditures | | | | | | |
| All Funds (Dollars in Thousands) | \$ 993.0 | \$ 1,002.7 | \$ 1,142.8 | \$ 1,086.1 | \$ 1,162.2 | \$ 1,169.1 |
| FTE Positions | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 |

BUDGET TRENDS

OPERATING EXPENDITURES FY 2013 – FY 2023



| Fiscal Year | SGF | Percent Change | All Funds | Percent Change | FTE |
|--------------------|------|----------------|------------|----------------|------|
| 2013 | \$ 0 | -- % | \$ 800,281 | 1.7 % | 11.0 |
| 2014 | 0 | -- | 960,555 | 20.0 | 13.8 |
| 2015 | 0 | -- | 931,281 | (3.0) | 13.3 |
| 2016 | 0 | -- | 960,584 | 3.1 | 13.5 |
| 2017 | 0 | -- | 957,097 | (0.4) | 14.0 |
| 2018 | 0 | -- | 992,975 | 3.7 | 14.0 |
| 2019 | 0 | -- | 1,002,667 | 1.0 | 14.0 |
| 2020 | 0 | -- | 1,086,073 | 8.3 | 14.0 |
| 2021 Gov. Rec. | 0 | -- | 1,151,641 | 6.0 | 14.0 |
| 2022 Gov. Rec. | 0 | -- | 1,162,205 | 0.9 | 14.0 |
| 2023 Gov. Rec. | 0 | -- | 1,169,064 | 0.6 | 14.0 |
| Eleven-Year Change | \$ 0 | -- % | \$ 368,783 | 46.1 % | 3.0 |

Summary of Operating Budget FY 2020 – FY 2022

| | Actual 2020 | Agency Estimate | | | | Governor's Recommendation | | | |
|--|---------------------|---------------------|---------------------|--------------------------------|---------------------------------|---------------------------|---------------------|--------------------------------|---------------------------------|
| | | Estimate FY 2021 | Request FY 2022 | Dollar Change from FY 21 | Percent Change from FY 21 | Rec. FY 2021 | Rec. FY 2022 | Dollar Change from FY 21 | Percent Change from FY 21 |
| By Program: | | | | | | | | | |
| Administration | \$ 1,086,073 | \$ 1,151,641 | \$ 1,162,205 | \$ 10,564 | 0.9 % | \$ 1,151,641 | \$ 1,162,205 | \$ 10,564 | 0.9 % |
| By Major Object of Expenditure: | | | | | | | | | |
| Salaries and Wages | \$ 760,132 | \$ 798,061 | \$ 807,125 | \$ 9,064 | 1.1 % | \$ 798,061 | \$ 807,125 | \$ 9,064 | 1.1 % |
| Contractual Services | 292,024 | 308,215 | 309,715 | 1,500 | 0.5 | 308,215 | 309,715 | 1,500 | 0.5 |
| Commodities | 16,970 | 22,415 | 22,415 | 0 | 0.0 | 22,415 | 22,415 | 0 | 0.0 |
| Capital Outlay | 16,947 | 22,950 | 22,950 | 0 | 0.0 | 22,950 | 22,950 | 0 | 0.0 |
| Debt Service | 0 | 0 | 0 | 0 | -- | 0 | 0 | 0 | -- |
| <i>Subtotal - Operations</i> | \$ 1,086,073 | \$ 1,151,641 | \$ 1,162,205 | \$ 10,564 | 0.9 % | \$ 1,151,641 | \$ 1,162,205 | \$ 10,564 | 0.9 % |
| Aid to Local Units | 0 | 0 | 0 | 0 | -- | 0 | 0 | 0 | -- |
| Other Assistance | 0 | 0 | 0 | 0 | -- | 0 | 0 | 0 | -- |
| TOTAL | \$ 1,086,073 | \$ 1,151,641 | \$ 1,162,205 | \$ 10,564 | 0.9 % | \$ 1,151,641 | \$ 1,162,205 | \$ 10,564 | 0.9 % |
| Financing: | | | | | | | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 | \$ 0 | -- % | \$ 0 | \$ 0 | \$ 0 | -- % |
| Board of Cosmetology Fee Fund | 1,086,073 | 1,151,641 | 1,162,205 | 10,564 | 0.9 | 1,151,641 | 1,162,205 | 10,564 | 0.9 |
| TOTAL | \$ 1,086,073 | \$ 1,151,641 | \$ 1,162,205 | \$ 10,564 | 0.9 % | \$ 1,151,641 | \$ 1,162,205 | \$ 10,564 | 0.9 % |

Summary of Operating Budget FY 2022 – FY 2023

| | Agency Estimate | | | | Governor's Recommendation | | | |
|--|---------------------|---------------------|--------------------------------|---------------------------------|---------------------------|---------------------|--------------------------------|---------------------------------|
| | Request FY 2022 | Request FY 2023 | Dollar Change from FY 22 | Percent Change from FY 22 | Rec. FY 2022 | Rec. FY 2023 | Dollar Change from FY 22 | Percent Change from FY 22 |
| By Program: | | | | | | | | |
| Administration | \$ 1,162,205 | \$ 1,169,064 | \$ 6,859 | 0.6 % | \$ 1,162,205 | \$ 1,169,064 | \$ 6,859 | 0.6 % |
| By Major Object of Expenditure: | | | | | | | | |
| Salaries and Wages | \$ 807,125 | \$ 813,684 | \$ 6,559 | 0.8 % | \$ 807,125 | \$ 813,684 | \$ 6,559 | 0.8 % |
| Contractual Services | 309,715 | 310,015 | 300 | 0.1 | 309,715 | 310,015 | 300 | 0.1 |
| Commodities | 22,415 | 22,415 | 0 | 0.0 | 22,415 | 22,415 | 0 | 0.0 |
| Capital Outlay | 22,950 | 22,950 | 0 | 0.0 | 22,950 | 22,950 | 0 | 0.0 |
| Debt Service | 0 | 0 | 0 | -- | 0 | 0 | 0 | -- |
| <i>Subtotal - Operations</i> | \$ 1,162,205 | \$ 1,169,064 | \$ 6,859 | 0.6 % | \$ 1,162,205 | \$ 1,169,064 | \$ 6,859 | 0.6 % |
| Aid to Local Units | 0 | 0 | 0 | -- | 0 | 0 | 0 | -- |
| Other Assistance | 0 | 0 | 0 | -- | 0 | 0 | 0 | -- |
| TOTAL | \$ 1,162,205 | \$ 1,169,064 | \$ 6,859 | 0.6 % | \$ 1,162,205 | \$ 1,169,064 | \$ 6,859 | 0.6 % |
| Financing: | | | | | | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 | -- % | \$ 0 | \$ 0 | \$ 0 | -- % |
| Board of Cosmetology Fee Fund | 1,162,205 | 1,169,064 | 6,859 | 0.6 | 1,162,205 | 1,169,064 | 6,859 | 0.6 |
| TOTAL | \$ 1,162,205 | \$ 1,169,064 | \$ 6,859 | 0.6 % | \$ 1,162,205 | \$ 1,169,064 | \$ 6,859 | 0.6 % |

BUDGET OVERVIEW

A. FY 2021 – Current Year

Adjustments to Approved State General Fund Budget

The agency’s revised estimate does not include any State General Fund (SGF) expenditures.

| | CHANGE FROM APPROVED BUDGET | | | | |
|--------------------|------------------------------------|-------------------------------|-----------------------------------|-----------------------------|-------------------------------------|
| | Legislative Approved FY 2021 | Agency Estimate FY 2021 | Agency Change from Approved | Governor Rec. FY 2021 | Governor Change from Approved |
| State General Fund | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| All Other Funds | 1,164,966 | 1,151,641 | (13,325) | 1,151,641 | (13,325) |
| TOTAL | \$ 1,164,966 | \$ 1,151,641 | \$ (13,325) | \$ 1,151,641 | \$ (13,325) |
| FTE Positions | 14.0 | 14.0 | 0.0 | 14.0 | 0.0 |

The **agency** request an FY 2021 revised estimate of \$1,151,641, all from the Board of Cosmetology Fee Fund. This is an all funds decrease of \$13,325, or 1.1 percent, below the FY 2021 approved amount. The decrease is primarily in contractual services for computer programming services and travel and in salaries and wages. The agency requests 14.0 FTE positions, which is the same number approved by the 2020 Legislature.

Major categories of expenditure are provided below:

- **Salaries and Wages.** The agency requests \$798,061, which is a decrease of \$1,881, or 0.2 percent, below the approved amount. The decrease is due to decreased expenditures for classified regular salaries (\$39,475), the Legislative Pay Plan (\$17,635), classified temporary salaries (\$12,350), retirement contributions (\$5,862), classified longevity pay (\$1,000), and other fringe benefits (\$347). The decrease is partially offset by increased expenditures for unclassified regular salaries (\$37,084), unclassified temporary salaries (\$22,227), and group health insurance (\$15,477);

- **Contractual Services.** The agency requests \$308,215, which is a decrease of \$11,444, or 3.6 percent, below the approved amount. The decrease is due to decreased expenditures for computer programming (\$9,764), in-state travel and meals and lodging (\$7,121), out-of-state meals and lodging, private charters, ground transportation, and non-subsistence expenses (\$3,550), printing and advertising (\$2,000), passenger car services and repairs (\$1,350), staffing and recruiting services (\$1,000), job-related training and conference registrations (\$904), dues and subscriptions (\$800), attorneys' fees (\$500), and other fees. The decrease is partially offset by increased expenditures for

communication services (\$5,055), credit card fees and charges (\$5,000), building space rental and other rentals (\$2,150), out-of-state travel fares (\$1,500), oil changes, tires, and car washes (\$1,025);

- **Commodities.** The agency requests \$22,415, which is the same as the approved amount; and
- **Capital Outlay.** The agency requests \$22,950, which is the same as the approved amount.

The **Governor** concurs with the agency's FY 2021 revised estimate.

B. FY 2022 – Budget Year

| FY 2022 OPERATING BUDGET SUMMARY | | | |
|---|-------------------|------------------------------|------------|
| | Agency Request | Governor's Recommendation | Difference |
| Total Request/Recommendation | \$ 1,162,205 | \$ 1,162,205 | \$ 0 |
| FTE Positions | 14.0 | 14.0 | 0.0 |
| Change from FY 2021: | | | |
| <i>Dollar Change:</i> | | | |
| State General Fund | \$ 0 | \$ 0 | |
| All Other Funds | 10,564 | 10,564 | |
| TOTAL | \$ 10,564 | \$ 10,564 | |
| <i>Percent Change:</i> | | | |
| State General Fund | -- % | -- % | |
| All Other Funds | 0.9 | 0.9 | |
| TOTAL | 0.9 % | 0.9 % | |
| Change in FTE Positions | 0.0 | 0.0 | |

The **agency** requests FY 2022 operating expenditures of \$1,162,205, all from the Board of Cosmetology Fee Fund. This is an all funds increase of \$10,564, or 0.9 percent, above the agency's FY 2021 revised estimate. The increase is primarily in salaries and wages for retirement contributions and group health insurance and in contractual services for rent and the monumental building surcharge. The agency requests 14.0 FTE

positions, which is the same number as the agency's FY 2021 revised estimate.

Major categories of expenditures are provided below:

- **Salaries and Wages.** The agency requests \$807,125, which is an increase of \$9,064, or 1.1 percent, above the agency's FY 2021 revised

estimate. The increase is due to expenditures for retirement contributions (\$4,600), group health insurance (\$4,435), and unemployment compensation (\$54). The increase is partially offset by decreased expenditures for workers' compensation (\$25) and leave pay (\$1);

- **Contractual Services.** The agency requests \$309,715, which is an increase of \$1,500, or 0.5 percent, above the agency's FY 2021 revised estimate. The increase is due to expenditures for building space rent (\$900) and other fees, including the monumental building surcharge fee,

lease negotiation administrative fee, and the *Kansas Register* fee (\$600);

- **Commodities.** The agency requests \$22,415, which is the same as the agency's FY 2021 revised estimate; and
- **Capital Outlay.** The agency requests \$22,950, which is the same as the agency's FY 2021 revised estimate.

The **Governor** concurs with the agency's FY 2022 request.

C. FY 2023 – Budget Year

| FY 2023 OPERATING BUDGET SUMMARY | | | |
|---|-------------------|------------------------------|------------|
| | Agency Request | Governor's Recommendation | Difference |
| Total Request/Recommendation | \$ 1,169,064 | \$ 1,169,064 | \$ 0 |
| FTE Positions | 14.0 | 14.0 | 0.0 |
| Change from FY 2022: | | | |
| <i>Dollar Change:</i> | | | |
| State General Fund | \$ 0 | \$ 0 | |
| All Other Funds | 6,859 | 6,859 | |
| TOTAL | \$ 6,859 | \$ 6,859 | |
| <i>Percent Change:</i> | | | |
| State General Fund | -- % | -- % | |
| All Other Funds | 0.6 | 0.6 | |
| TOTAL | 0.6 % | 0.6 % | |
| Change in FTE Positions | 0.0 | 0.0 | |

The **agency** requests FY 2023 operating expenditures of \$1,169,064, all from the Board of Cosmetology Fee Fund. This is an all funds increase of \$6,859, or 0.6 percent, above the agency's FY 2022 request. The increase is primarily in salaries and wages for fringe benefits including retirement contributions and in contractual services for communication services. The agency requests 14.0 FTE positions, which is the same number as the agency's FY 2022 request.

Major categories of expenditure are provided below:

- **Salaries and Wages.** The agency requests \$813,684, which is an increase of \$6,559, or 0.8 percent, above the agency's FY 2022 request. The increase is due to expenditures for Old-Age, Survivors, and Disability Insurance (\$35,063), retirement contributions (\$3,324), group health insurance (\$598), leave pay (\$203), workers' compensation (\$63), and unemployment

compensation (\$24). The increase is partially offset by decreased expenditures for Medicare (\$32,716);

- **Contractual Services.** The agency requests \$310,015, which is an increase of \$300, or 0.1 percent, above the agency's FY 2022 request. The increase is due to expenditures for communication services (\$500), partially offset by decreased expenditures for the lease negotiation administrative fee and the *Kansas Register* fee (\$200);

- **Commodities.** The agency requests \$22,415, which is the same as the agency's FY 2022 request; and

- **Capital Outlay.** The agency requests \$22,950, which is the same as the agency's FY 2022 request.

The **Governor** concurs with the agency's FY 2023 request.

Governor's Recommended Salary and Wage Adjustments

For FY 2022, the Governor recommends adding \$31.5 million, including \$11.3 million SGF, for a 2.5 percent state employee base pay adjustment. The plan would increase salaries for classified and unclassified employees in the Executive Branch, Legislative Branch, and Judicial Branch. Legislative and elected officials would be excluded from this salary adjustment. The funds would be appropriated to and certified for distribution by the State Finance Council if approved. Employees of state universities are also not included in the proposed pay plan; however, the Governor recommends adding \$10.4 million, all SGF, to the university operating grants. This amount is equivalent to what the pay plan would have provided for university employees, but the funds are included in the Kansas Board of Regents budget for use at their discretion.

Longevity Bonus Payments. In FY 2021 and for FY 2022, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2021 payment is \$3.0 million, including \$1.1 million SGF. For FY 2022, the estimated cost is \$3.1 million, including \$1.1 million SGF. **For this agency, FY 2021 longevity payments total \$1,000, all from special revenue funds, and FY 2022 longevity payments total \$1,000, all from special revenue funds. For this agency, FY 2023 longevity payments total \$1,000, all from special revenue funds.**

Kansas Public Employees Retirement System (KPERs). The employer retirement contribution rate, including Death and Disability contributions, for the KPERs State and School Group is scheduled to be 14.23 percent in FY 2021 and 15.09 percent for FY 2022. The

FY 2021 rate excludes the 1.0 percent KPERs Death and Disability contribution that is currently subject to a moratorium described below.

The Governor recommends the KPERs State and School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 25 years beginning in FY 2022, an extension of 10 years to the current plan. Reamortization would reduce employer contributions for the KPERs State and School Group in the short term. It is estimated that resetting the amortization period to 25 years could produce budget savings of \$177.3 million, including \$158.7 million SGF, for FY 2022. The Governor's recommendation would also incorporate \$25.8 million in KPERs layering payments into the amortization schedules. **No savings from this policy are currently included in this agency's budget.**

KPERs Death and Disability Group Insurance Fund. During FY 2021, a moratorium on employer contributions to the KPERs Death and Disability Group Insurance Fund was in effect. The fund had a sufficient balance to suspend payments on a temporary basis without affecting employee benefits. The moratorium was implemented via the Governor's allotment authority; therefore, the Legislative and Judicial branches are currently excluded from the moratorium. The total savings for the moratorium are estimated at \$46.7 million in contributions from the SGF. Included in this amount were savings of approximately \$40.3 million from KPERs School Group contributions in the Kansas State Department of Education budget. No similar moratorium is proposed for FY 2022, requiring the addition of \$46.7 million to annualize the payments for the full fiscal year.

Funding Sources

| Funding Source | Agency Req. Percent of Total FY 2022 | Gov. Rec. Percent of Total FY 2022 | Agency Req. Percent of Total FY 2023 | Gov. Rec. Percent of Total FY 2023 |
|-------------------------------|--|--|--|--|
| State General Fund | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Board of Cosmetology Fee Fund | 100.0 | 100.0 | 100.0 | 100.0 |
| TOTAL | 100.0 % | 100.0 % | 100.0 % | 100.0 % |

(Note: Totals may not add due to rounding.)

Board of Cosmetology Fee Fund Analysis

The Board of Cosmetology is a fee-funded agency. The revenue received provides financing for all agency operations. KSA 75-3170a(a) provides that 90.0 percent of incoming

revenues are retained by the agency and 10.0 percent are deposited into the State General Fund, up to a maximum of \$100,000 per fiscal year per fund.

| Resource Estimate | Actual FY 2020 | Agency Estimate FY 2021 | Governor Rec. FY 2021 | Agency Request FY 2022 | Governor Rec. FY 2022 | Agency Request FY 2023 | Governor Rec. FY 2023 |
|--|--------------------------|-------------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|
| Beginning Balance | \$ 509,041 | \$ 511,607 | \$ 511,607 | \$ 491,966 | \$ 491,966 | \$ 461,761 | \$ 461,761 |
| Revenue | 1,088,222 | 1,132,000 | 1,132,000 | 1,132,000 | 1,132,000 | 1,132,000 | 1,132,000 |
| Transfers in | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Funds Available</i> | <u>\$ 1,597,263</u> | <u>\$ 1,643,607</u> | <u>\$ 1,643,607</u> | <u>\$ 1,623,966</u> | <u>\$ 1,623,966</u> | <u>\$ 1,593,761</u> | <u>\$ 1,593,761</u> |
| Less: | | | | | | | |
| Expenditures | \$ 1,085,656 | \$ 1,151,641 | \$ 1,151,641 | \$ 1,162,205 | \$ 1,162,205 | \$ 1,169,064 | \$ 1,169,064 |
| Transfers Out | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Off-Budget Expenditures | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | <u>\$ 511,607</u> | <u>\$ 491,966</u> | <u>\$ 491,966</u> | <u>\$ 461,761</u> | <u>\$ 461,761</u> | <u>\$ 424,697</u> | <u>\$ 424,697</u> |
| Ending Balance as Percent of Expenditures | 47.1% | 42.7% | 42.7% | 39.7% | 39.7% | 36.3% | 36.3% |
| | June | June | June | June | June | June | June |
| Month Highest Ending Balance | <u>\$ 511,607</u> | <u>\$ 491,966</u> | <u>\$ 491,966</u> | <u>\$ 461,761</u> | <u>\$ 461,761</u> | <u>\$ 424,697</u> | <u>\$ 424,697</u> |
| | July | July | July | July | July | July | July |
| Month Lowest Ending Balance | \$ 392,437 | \$ 402,753 | \$ 402,753 | \$ 381,221 | \$ 381,221 | \$ 349,788 | \$ 349,788 |

BOARD OF COSMETOLOGY LICENSURE FEES

| License | Current Fee | Statutory Limit |
|---|-------------|-----------------|
| Cosmetology Profession Practitioners | | |
| Cosmetologist License (initial) | \$ 60 | \$ 60 |
| Cosmetologist License (renewal) | 50 | 60 |
| Cosmetologist Instructor License (initial) | 75 | 100 |
| Cosmetologist Instructor License (renewal) | 50 | 75 |
| Cosmetologist Technician License (renewal) | 45 | 60 |
| Electrologist License (initial) | 60 | 60 |
| Electrologist License (renewal) | 50 | 60 |
| Esthetician License (initial) | 60 | 60 |
| Esthetician License (renewal) | 50 | 60 |
| Esthetics Instructor License (initial) | 75 | 100 |
| Esthetics Instructor License (renewal) | 50 | 75 |
| Nail Technician/Manicurist License (initial) | 60 | 60 |
| Nail Technician/Manicurist License (renewal) | 50 | 60 |
| Nail Technician/Manicurist Instructor License (initial) | 75 | 100 |
| Nail Technician/Manicurist Instructor License (renewal) | 50 | 75 |
| Reciprocity Application Fee | 75 | 75 |
| Body Art Profession Practitioners | | |
| Body Piercing License* (initial) | \$ 50 | \$ N/A |
| Body Piercing License* (renewal) | 50 | N/A |
| Tattooist License* (initial) | 50 | N/A |
| Tattooist License* (renewal) | 50 | N/A |
| Cosmetic/Permanent Tattoo Artist License* (initial) | 50 | N/A |
| Cosmetic/Permanent Tattoo Artist License* (renewal) | 50 | N/A |

BOARD OF COSMETOLOGY LICENSURE FEES

| License | Current Fee | Statutory Limit |
|--|-------------|-----------------|
| Cosmetology Profession Establishments | | |
| Salon or Clinic License (initial) | \$ 60 | \$ 100 |
| Salon or Clinic License (renewal) | 50 | 50 |
| Body Art Profession Establishments | | |
| Establishment License* (initial) | \$ 50 | \$ N/A |
| Establishment License* (renewal) | 50 | N/A |
| Tanning Establishments | | |
| Tanning License* (initial) | \$ 100 | \$ N/A |
| Tanning License* (renewal) | 75 | N/A |
| Miscellaneous | | |
| Verification of licensure fee | \$ 20 | \$ 20 |
| Fee for a duplicate of any license | 25 | 25 |
| Temporary permit fee | 15 | 15 |
| Instructor-in-training permit fee | 15 | 50 |
| Any apprentice license application fee | 15 | 15 |
| Examination | | |
| Instructor examination fee | \$ 75 | \$ 75 |
| Cosmetologist examination fee | 75 | 75 |
| Manicurist examination fee | 75 | 75 |
| Esthetician examination fee | 75 | 75 |
| Electrologist examination fee | 75 | 75 |
| Tattoo Artist examination fee | 75 | N/A |
| Body Piercing examination fee | 75 | N/A |
| Cosmetic/Permanent Tattoo Artist examination fee | 75 | N/A |
| Tattoo Artist exam application fee | 50 | N/A |

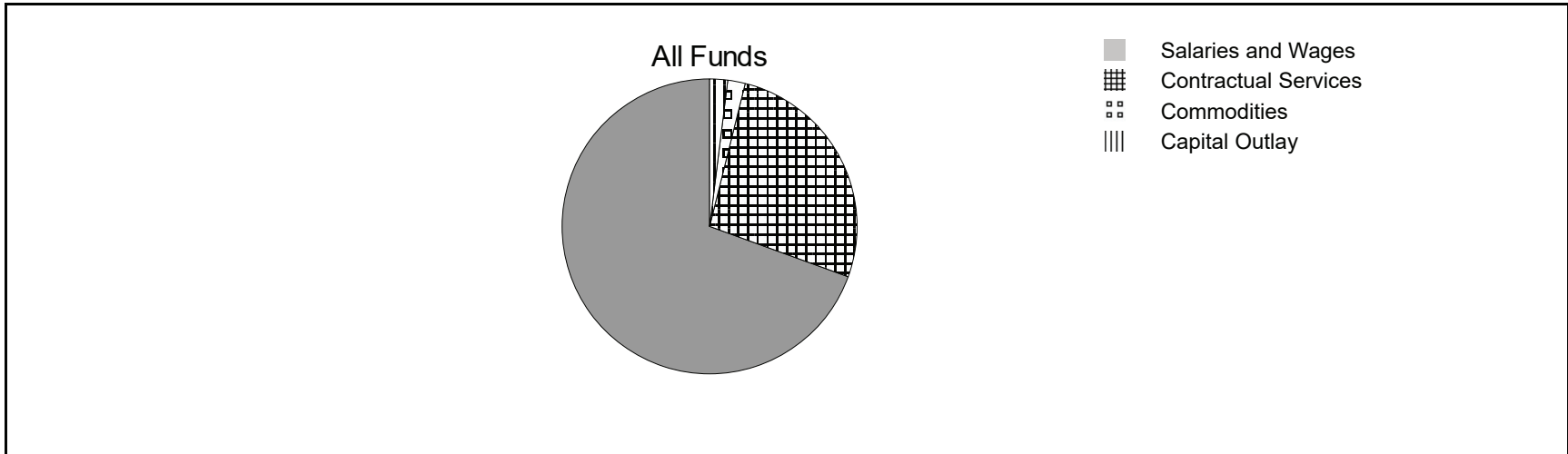
BOARD OF COSMETOLOGY LICENSURE FEES

| License | Current Fee | Statutory Limit |
|---|-------------|-----------------|
| Body Piercing exam application fee | 50 | N/A |
| Cosmetic/Permanent Tattoo Artist exam application fee | 50 | N/A |
| Delinquent Fees | | |
| Delinquent instructor renewal fee | \$ 25 | \$ 75 |
| Delinquent salon or clinic renewal fee | 30 | 30 |
| Delinquent school license fee | 25 | 50 |
| Delinquent cosmetologist renewal fee | 25 | 25 |
| Delinquent esthetician renewal fee | 25 | 25 |
| Delinquent electrologist renewal fee | 25 | 25 |
| Delinquent cosmetology technician renewal fee | 25 | 25 |
| Delinquent manicurist renewal fee | 25 | 25 |
| Delinquent tattoo artist renewal fee | 25 | N/A |
| Delinquent body piercer renewal fee | 25 | N/A |
| Delinquent cosmetic/permanent tattoo artist renewal fee | 25 | N/A |

*Body Art and Tanning licenses have no statutory maximum

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2022 RECOMMENDATION



| Category | Gov. Rec. All Funds FY 2022 | Percent of Total | Gov. Rec. SGF FY 2022 | Percent of Total |
|----------------------|-----------------------------------|---------------------|-----------------------------|---------------------|
| Salaries and Wages | \$ 807,125 | 69.4 % | \$ 0 | -- % |
| Contractual Services | 309,715 | 26.6 | 0 | -- |
| Commodities | 22,415 | 1.9 | 0 | -- |
| Capital Outlay | 22,950 | 2.0 | 0 | -- |
| TOTAL | \$ 1,162,205 | 100.0 % | \$ 0 | 100.0 % |

FTE POSITIONS BY PROGRAM FY 2020 – FY 2023

| <u>Program</u> | <u>Actual FY 2020</u> | <u>Agency Est. FY 2021</u> | <u>Gov. Rec. FY 2021</u> | <u>Agency Req. FY 2022</u> | <u>Gov. Rec. FY 2022</u> | <u>Agency Req. FY 2023</u> | <u>Gov. Rec. FY 2023</u> |
|----------------|---------------------------|--------------------------------|------------------------------|--------------------------------|------------------------------|--------------------------------|------------------------------|
| Administration | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 |

(*Note:* For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.)