

Executive Director: Sue Sansom

JLBC Analyst: Jeremy Olsen

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved	FY 2009 Approved
<b>OPERATING BUDGET</b>				
<i>Full Time Equivalent Positions</i>	24.5	24.5	24.5	24.5
Personal Services	749,100	762,500	787,300	762,500
Employee Related Expenditures	255,400	298,900	323,200	301,800
Professional and Outside Services	201,500	202,300	219,700	207,800
Travel - In State	47,800	51,300	51,300	51,300
Travel - Out of State	10,400	7,700	7,700	7,700
Other Operating Expenditures	268,200	350,900	364,800	365,200
Equipment	20,100	0	101,600	9,100
<b>AGENCY TOTAL</b>	<b>1,552,500</b>	<b>1,673,600</b>	<b>1,855,600<sup>1/2/</sup></b>	<b>1,705,400<sup>2/</sup></b>

**FUND SOURCES**

<u>Other Appropriated Funds</u>				
Board of Cosmetology Fund	1,552,500	1,673,600	1,855,600	1,705,400
<b>SUBTOTAL - Other Appropriated Funds</b>	<b>1,552,500</b>	<b>1,673,600</b>	<b>1,855,600</b>	<b>1,705,400</b>
<b>SUBTOTAL - Appropriated Funds</b>	<b>1,552,500</b>	<b>1,673,600</b>	<b>1,855,600</b>	<b>1,705,400</b>
<b>TOTAL - ALL SOURCES</b>	<b>1,552,500</b>	<b>1,673,600</b>	<b>1,855,600</b>	<b>1,705,400</b>

**AGENCY DESCRIPTION** — The board administers licensing examinations and licenses; inspects salons and schools; investigates violations of sanitation requirements and procedures. It conducts hearings and imposes enforcement actions where appropriate.

<b>PERFORMANCE MEASURES</b>	FY 2004	FY 2005	FY 2006	FY 2008
	Actual	Actual	Actual	Approved
• Average calendar days to resolve a complaint	120	120	120	120
• Average calendar days to renew a license	22	15	15	10
• Customer satisfaction rating (Scale 1-8)	7	7.3	7.3	7.3

**Operating Budget**

The budget provides \$1,855,600 and 24.5 FTE Positions from the Board of Cosmetology Fund for the operating budget in FY 2008 and \$1,705,400 and 24.5 FTE Positions in FY 2009. These amounts fund the following adjustments:

**Statewide Adjustments**

The budget provides an increase of \$61,100 from the Board of Cosmetology Fund in FY 2008 and \$2,600 in FY 2009 for statewide adjustments. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details. The annualization of these adjustments for FY 2009 will be addressed in the 2008 budget process.)*

**File Document Management**

The budget provides a one-time increase of \$89,000 from the Board of Cosmetology Fund in FY 2008 for a file document management system. The board has approximately 87,000 licensing files, which it will convert from hard copies to a digital format. The board will also have the ability to create digital files of new applications.

**Operational Costs**

The budget provides an increase of \$19,000 from the Board of Cosmetology Fund in FY 2008 and \$19,800 in FY 2009 for increased operational costs. These amounts include the following:

- An increase of \$1,900 in FY 2008 and \$2,000 in FY 2009 for an Information Technology (IT)

<sup>1/</sup> This appropriation is available for use pursuant to the provisions of A.R.S. § 35-143.01C and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations until June 30, 2009. (General Appropriation Act footnote)

<sup>2/</sup> General Appropriation Act funds are appropriated as a Lump Sum by Agency.

maintenance contract. This amount will fund the additional cost of the board's contract for maintenance of its electronic licensing system, which increases by 5% each year.

- An increase of \$7,100 in FY 2008 and \$7,300 in FY 2009 for increased costs for postage and office supplies. The board projects an average annual increase of 2% from FY 2005 to FY 2009 in the number of inspections made and the number of licenses issued. The above amount will provide funding for additional operating supplies and equipment related to the increased workload growth.
- An increase of \$4,900 in FY 2008 and \$5,100 in FY 2009 for higher rent costs. The board is currently renting 6,400 square feet of private space in Tempe.
- An increase of \$5,100 in FY 2008 and \$5,400 in FY 2009 for increased Attorney General costs. The board contracts with the Attorney General for part-time services of an Assistant Attorney General, and this contract includes an annual increase of approximately 5%.

#### **Replacement of IT Equipment**

The budget provides an increase of \$12,900 from the Board of Cosmetology Fund in FY 2008 and \$9,400 in FY 2009 for replacement and upgrading of Information Technology (IT) equipment.

The total amount includes a one-time increase of \$3,500 for a new server in FY 2008. The new server will allow the board to offer additional on-line transactions, including filing for examination applications and the ability to pay the application fee. The board also anticipates offering the ability to apply for an initial license online. Currently, the only functionality offered on the board's Web site is license renewals.

The total amount for the replacement of IT equipment also includes \$9,400 from the Board of Cosmetology Fund in FY 2008 and FY 2009 to replace 2 notebook computers and 6 desktop computers in each year. The computers being replaced by the board are approximately 6 years old.