



STATE of NEBRASKA

Board of Barber Examiners
State Office Building, Box 94723
Lincoln, Nebraska 68509
Phone (402) 471-2051

Date: January 12, 2010

To: Senator Lavon Heidemann, Chairperson – Appropriations Committee

From: Ronald J. Pella, Director - Board of Barber Examiners *Ronald J. Pella*

Subject: LB 1, 2 & 3 - Implementations of agency's actions

Before action it is the agency's goals and objective to first review:

- Agency statutory responsibility and evaluate the services provided.
- The agency's estimated revenues and expenditures.
- Agency's ability to enhance our responsibilities and the services provided.

Specific issues requested by Appropriations Committee Chairperson, Senator Lavon Heidemann to be addressed by the agency.

- Staffing – The agency consist of only two employees, the director and a staff assistant. With the current staffing and our responsibilities, I would not anticipate any layoffs, furloughs, etc.
- Impact on services provided to the public and /or agency functions.

The Board recognized the need for changes and correctly anticipated the recession long term effect on revenue, expenditure and the affect of our ability to provide the services required by current statutes. With the introduction of LB 195, this past legislative session and with the Legislative Bill being passed into law, it will eliminate the need to initiate or reduce statutory required services. The original agency budget was not prepared to accommodate the current changes to the budget request nor the cash fund transfers that was initiated in November of 2009, each have the potential to negatively impact the services we provide.

- Impact on receipt of federal funds, matching, maintenance or other factors:

No federal or state funds received. We are a self funded cash agency.

- Fee increases to offset cash fund transfers to the General Fund:

It is not an option the Board will use until all factors are known. The original budget submitted was balanced with the level of fees set. The reduction proposed and implementation of cash fund transfers must be made up somewhere. While every attempt will be made to find efficiencies elsewhere, in reality there is little chance of significant dollars in this sized budget. The fund equity dollar amount, I brought to your attention at the committee hearing on Tuesday, November 10, 2009, I apparently did not adequately explain or identify the Fund Equity dollar amount verses the liability to those monies. I always come to the Appropriations Committee in good faith, with a budget that is conservative and fiscally prudent, never with the attitude of spend it or lose it, the statute was clear to me. All funds collected in the administration of the Barber Act shall be remitted to the state treasure for credit to the Board of Barber Examiners and shall be expended only for the administration of the act.

- Speaking on behalf of the Board:

Self discipline is a large part of being in business. I am the forecasting board for the agency; I had informed them at their October 25, 2009 Board Meeting, the receipts for the year were down by six percent, expenditure would be substantially higher due to printing cost for the revised statutes and the revised Rules and Regulations, legal expenses would be more for this fiscal year than the last twenty five years combined, liabilities against the fund equity and other pertinent facts that relate to our agency. This year has and may continue to set a record for gimmicks used by agencies to balance a budget. I do not want to be a part of that type of solution. If you continue to take agency's cash funds beyond the itemized dollar amounts specified by the One Hundred First Legislature, First Special Session, 2009 for Fy 09/10 and Fy 10/11, to remedy your revenue short falls, you put this agency in a probable financial troubling position, which is what short term solutions provide. With sincere honesty, I respectfully submit this report to the Chairman of the Appropriations Committee, Senator Lavon Heidemann, agencies Budget Analyst Gary Bush and Fiscal Analyst Liz Hruska.