BOARD'S NATIONAL PRESENCE

The national beauty culture industry is experiencing large amounts of fraudulent, questionable, and improbable documentation and certification from individual applicants for reciprocity. The Virginia Board recently revoked nearly 80 licenses that were deemed fraudulent through Pennsylvania and Massachusetts State Boards license certificates.

A license certificate is an official document that is requested to a state board by a licensee in their state of residence to the state board where the licensee will be moving. The license certificate contains: name of applicant, school hours obtained, previous address, school(s) attended, test results, and other miscellaneous information.

These license certificates are compromised through exact replicas and other means to a level unknown by any state board. Most, if not all, state boards lack the resources to perform indepth background checks to determine if all documents and supporting evidence are accurate.

In order to fight fraudulent documents, protect the public health, and protect individual licensees' careers across the county, the West Virginia Board of Barbers and Cosmetologists is in the process of designing an online software application with the help of the West Virginia State Treasurer's Office to prevent fraudulent documentation through online license certifications (state-to-state board information transmittal). It is the Board's goal to accomplish this regionally in the next two years. As of 8/14/2009, two states will implement the software application and two others are waiting for the development to be completed before making any decision.

The online application will be based on the premise to securely transmit individual information from one state board to another with the individual licensee's permission through an online license certificate (an individual seeking to transfer a license in one state to another).

The online software application will work like a website that is logged into but for information transmittal. The data transferred, which will be approved by the applicant, will be a series of 10 questions that will verify the applicants name and qualifications. Another question will ask how many states the individual license has transferred their specific license to in order to prevent individuals from working on someone else's license in another state, which is a very suspected act that cannot be proven without proper communication in place.

The Board will discuss this plan with other states at the National Interstate Board Council Conference in late September 2009. An update will be placed in the FY 2010 Annual Report.

FISCAL YEAR 2009 KEY BOARD ACTIVITIES/OPERATIONS REVIEW

- Emergency fee increase became effective due to budgetary/ cash flow issues July 2008.
- Former Executive Director Larry Absten retired October 2008.
- Executive Director Adam L. Higginbotham was hired November 2008.
- New software development talks began with State Treasurer's Office in January 2009.
- Former Inspector II Barbara Conley retired February 2009.
- State inspector's territories were re-structured in March 2009.
- New effective and informative website became "live" in March 2009.
- Software development talks and specifications continued in March 2009.
- Office operational re-organization discussion began in March 2009.
- House and Senate passed HB 2531 updating the law governing the Board in April 2009.
- HB2531 separated the Board and DHHR in July 2009.
- HB2531 updated the laws and terminology pertaining to the Board.
- HB2531 defined the powers and duties of the Board.
- HB2531 withdrew the fees that were previously established in code.
- HB2531 defines each profession and their scope of practice.
- Software development talks and specifications continued in June 2009.
- Search for an ADA compliant office began May 2009.
- Online national license certification transfer development began in May 2009.
- Ohio, Virginia, and Nebraska showed interest in online certification transfer June2009.
- Online national license certification guidelines were started in June 2009.
- Goals and objectives were developed for Fiscal Year 2010.

RECEIPTS AND DISBURSEMENTS

2008 CARRYOVER

2008 Carry	/over	\$66,455.22

2009

1st QUARTER

Month	Receipts	Disbursements	Balance with Treasurer	
July 08	\$36,523.70	\$36,372.34	\$66,455.22	
August 08	\$21,560.02	\$21,560.02 \$35,913.02		
September 08	September 08 \$16,242.50 \$36,059.47		\$29,126.78	
1 st Quarter Totals	\$74,326.22	\$108,344.83	\$48,830.24 avg.	

2009

2[™] QUARTER

Month	Month Receipts Disbursements		Balance with Treasurer
October 08	October 08 \$15,089.44 \$37,076.26		\$5,066.46
November 08	vember 08 \$23,218.38 \$13,081.50		\$15,124.57
December 08	December 08 \$91,363.50 \$29,207.56		\$76,638.39
2 nd Quarter Totals	2 nd Quarter Totals \$129,671.32		\$32,726.47 qtr. avg.

2009

3[®] QUARTER

Month	Receipts Disbursements		Balance with Treasurer
January 09	\$123,508.00	508.00 \$69,276.46	
February 09	\$75,260.34	\$39,363.70	\$164,004.65
March 09	March 09 \$31,142.00 \$28,871.93		\$164,732.58
3 rd Quarter Totals	\$229,910.34	\$137,512.09	\$152,561.52 qtr. avg.

2009

4[™] QUARTER

Month	Receipts Disbursements		Balance with Treasurer
April 09	\$20,765.48	\$30,801.80	\$152,049.31
May 09	May 09 \$17,635.00 \$29,064.05		\$136,847.98
June 09	\$48,073.00	\$53,464.09	\$129,965.58
4 th Quarter Totals	\$86,473.48	\$113,329.94	\$139,620.96 qtr. avg.

2009 TOTALS

2009 TOTALS \$520,381.36	\$438,552.18	\$93,322.30 mo. avg.
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Receipts – Disbursements Total \$81,829.18

2009 CARRYOVER

2000 Carry (2) (2)	¢120 429 70
2009 Carryover	\$139,438.70

FIVE YEAR REVIEW- RECEIPTS AND DISBURSEMENTS

Fiscal Year	Receipts	Disbursements	Carryover Balance	
2009	2009 \$520,381.36 \$438,552.18		\$139,438.70	
2008	\$412,220.10	\$412,672.22	\$66,177.66	
2007	\$418,307.32	\$415,950.54	\$66,629.78	
2006	\$407,304.01	\$435,909.44	\$60,909.44	
2005	\$411,359.16	\$432,422.11	\$86,767.43	
Average	\$433,914.39	\$427,101.30	\$83,288.90	

REVIEW COMMENTS

The 2009 Receipts and Disbursements appear strong along with the carryover balance, but the financial numbers in this situation do not show the bleak outlook for FY2010, FY2011, and beyond.

The separation from the Department of Health and Human Resources in HB 2531 is expected to increase the board's expenditures in excess of \$50,000.00 annually.

Due to the separation, the board is faced with an increase in the follow:

- \$10,000 increase is postage (DHHR covered postage in past).
- \$1,000 increase in software licensing rights.
- \$1,000 increase in telephone services.
- \$40,000 increase in job creation due to additional duties once performed by DHHR.

Along with the additional expenses accrued from the separation, the Board will be faced with continuing education implementation which will result in an expensive informational campaign to educate licensees of the rule change, the possible hiring of additional staff, and other unforeseen expenses.

Additionally, the Board is also faced with the challenge of updating office technology to include computers, telephones, field equipment, and other items to ensure the public health is not compromised. The Board will also have to allocate previously unused money to move into an ADA compliant office, provide security protected licenses, expand testing locations to the northern part of the state, and cover expenses for more board members that was created by HB 2531.

Overall, the Board appears financially stable with the 2009 carryover balance, however with issues mentioned above the carryover balance will guickly fall well below the 2006 carryover balance without minimal fee increases.

EDUCATIONAL OVERVIEW

The educational training and school curricula for barbers, cosmetologists, manicurists, and aestheticians are detailed in Title 3, Series 1: <u>Procedures, Criteria, and Curricula for Examination</u> and Licensure of Barbers, Cosmetologists, Manicurists, and Aestheticians.

The following are the required hours for each profession governed by the Board:

PROFESSION	HOURS NEEDED TO TEST	
Barber	1,800 hours	
Barber Permanent Wavist	2,000 hours	
Barber Crossover (barber/cosmo)	2,000 hours	
Cosmetologists	2,000 hours	
Manicurist	400 hours	
Aesthetician	600 hours	

LICENSED BEAUTY SCHOOLS IN WEST VIRGINIA

Art and Science Institute of Cosmetology 33 Corey Road White Hall, WV 26554 304-363-2015

> Carver Beauty Academy 4799 Midland Drive Charleston, WV 25306 304-348-1968

Clarksburg Beauty Academy 120 South Third Street Clarksburg, WV 26301 304-624-6473

International Beauty School 201 West King Street Martinsburg, WV 25401 304-267-6231

Morgantown Beauty College, Inc. 276 Walnut Street Morgantown, WV 26505 304-292-8475

Scott College of Cosmetology 1502 Market Street Wheeling, WV 26003 304-232-7798

Valley Beauty School 707 Market Street Parkersburg, WV 26101 304-422-2226

Buena Vista Beauty School Alderson Prison Camp PO BOX B Alderson, WV 24910 304-445-2901 Beckley Beauty Academy 109 South Fayette Street Beckley, WV 25801 304-253-8326

Charleston School of Beauty Culture 210 Capitol Street Charleston, WV 25301 304-346-9603

Huntington School of Beauty Culture Rt. 60 East Room 115 Huntington, WV 25705 304-736-6289

Mercer County Beauty School 1397 Strafford Drive Princeton, WV 24740 304-425-9551

Mountaineer Beauty College 700 6th Avenue PO BOX 547 St. Albans, WV 25177 304-727-9999

Southern WV Community & Technical College 3505 Daniel Boone Parkway Danville, WV 25053 304-792-7041

Wyoming Co. Vocational Technical Center HCR 72, Box 200 Pineville, WV 24874 304-732-8050

LICENSED BARBER SCHOOLS IN WEST VIRGINIA

Charleston School of Barbering 210 Capitol Street Charleston, WV 25301 304-346-9603

LICENSES ISSUED

2009 RENEWALS

PROFESSION	NUMBER OF RENEWALS
Barbers & Barber Perm.	750
Cosmetologists	6,568
Barber/Cosmetologists	99
Manicurists	830
Aestheticians	133
Instructors	90
Shops	2,789
Schools	16
Total Renewals	11,525

2009 NEW REGISTRATIONS

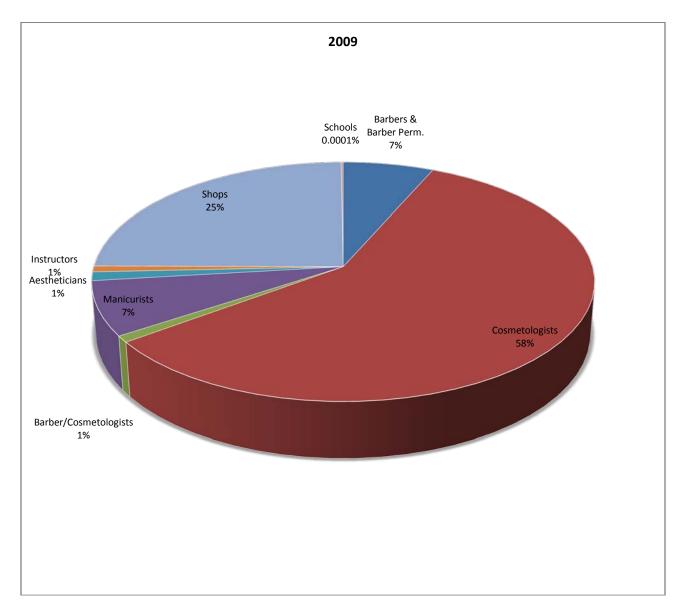
PROFESSION	NUMBER OF REGISTRATIONS	
Barbers	17	
Cosmetologists	292	
Barber/Cosmetologists	0	
Barbers Permanent Wavist	2	
Manicurists	99	
Aestheticians	24	
Instructors	8	
Shops	275	
Students	817	
Instructor In-Training	13	
Booth Rentals	825	
Total Registrations	2,372	

2009

TOTAL LICENSES, PERMITS, CERTIFICATIONS ISSUED

13,897 **TOTAL ISSUED**

DISTRIBUTION OF LICENSES 2009



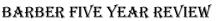
FIVE YEAR LICENSES ISSUED REVIEW

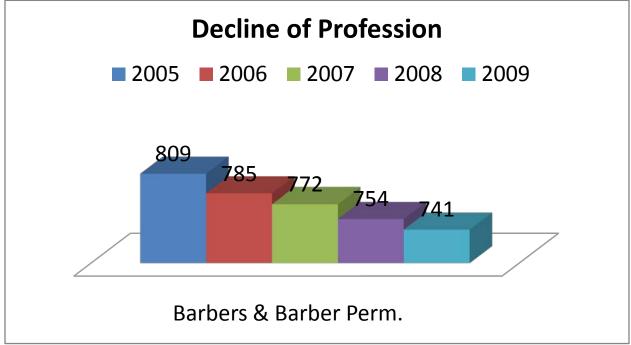
PROFESSION	2005	2006	2007	2008	2009
Barbers & Barber Perm.	809	785	772	754	741
Cosmetologists	6,431	6,376	6,375	6,301	6,568
Barber/Cosmetologists	97	91	98	97	99
Manicurists	632	655	684	714	830
Aestheticians	59	78	87	91	133
Instructors	89	83	78	77	90
Shops	3,095	2,630	3,044	2,921	2,789
Schools	14	14	14	16	16
TOTAL	11,226	10,712	11,152	10,971	11,525

FIVE YEAR BEAUTY INDUSTRY REVIEW

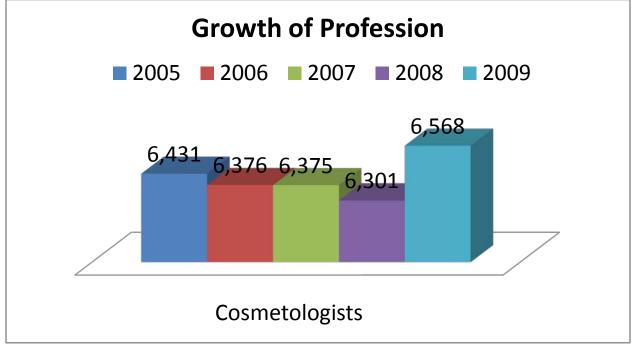


BARBER, COSMETOLOGISTS, MANICURISTS, AESTHETICIAN, AND SHOP RENEWALS

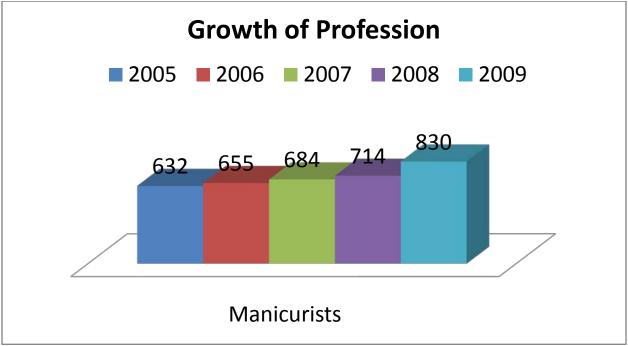




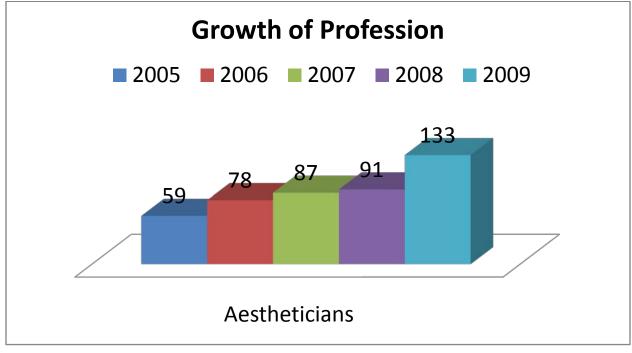
COSMETOLOGIST FIVE YEAR REVIEW



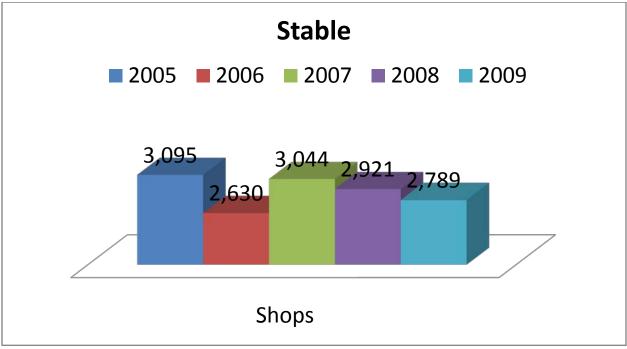
MANICURISTS FIVE YEAR REVIEW



AESTHETICIANS FIVE YEAR REVIEW



SHOP FIVE YEAR REVIEW



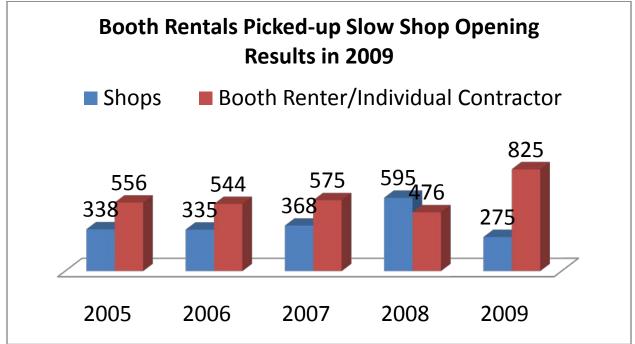
FIVE YEAR NEW REGISTRATION GROWTH

PROFESSION	2005	2006	2007	2008	2009	5 Yr. TOTAL
Barbers	13	7	8	26	17	71
Cosmetologists	373	377	369	317	292	1,728
Barber/Cosmetologists	5	0	3	2	0	1,799
Barbers Permanent Wavist	11	18	16	16	2	63
Manicurists	132	111	92	85	99	519
Aestheticians	32	21	27	34	24	582
Instructors	11	14	13	27	8	73
Shops	338	335	368	595	275	1,911
Students	908	916	799	740	817	1,984
Instructor In-Training	15	17	13	9	13	67
Booth Rentals	556	544	575	476	825	2,976

5 YEAR TOTAL OF NEW LICENSES ISSUED BY PROFESSION



FIVE YEAR TOTAL OF NEW SHOPS AND BOOTH RENTAL REGISTRATION BUSINESSES CREATED



ESTIMATED NUMBER OF JOBS CREATED

PROFESSION	2009
Barbers	17
Cosmetologists	292
Barbers Permanent Wavist	2
Manicurists	99
Aestheticians	24
TOTAL	434

INSPECTION TOTALS

2009 Shop	7,978
Inspections	

Violations	166
Issued	

SHOPS PER COUNTY

County	Shops	County	Shops
Barbour	25	Mingo	69
Berkeley	107	Monongalia	129
Boone	45	Monroe	23
Braxton	23	Morgan	23
Brooke	22	Nicholas	44
Cabell	149	Ohio	79
Calhoun	12	Pendleton	16
Clay	15	Pleasants	7
Doddridge	7	Pocahontas	16
Fayette	66	Preston	65
Gilmer	10	Putnam	73
Grant	31	Raleigh	134
Greenbrier	79	Randolph	37
Hampshire	28	Ritchie	20
Hancock	43	Roane	25
Hardy	28	Summers	17
Harrison	119	Taylor	13
Jackson	38	Tucker	13
Jefferson	48	Tyler	14
Kanawha	302	Upshur	40
Lewis	21	Wayne	65
Lincoln	26	Webster	18
Logan	81	Wetzel	40
Marion	97	Wirt	5
Marshall	42	Wood	142
Mason	42	Wyoming	55
McDowell	34		
Mercer	99		
Mineral	38		

LICENSEES PER COUNTY

County	Licensees	County	Licensees
Barbour	72	Mingo	123
Berkeley	380	Monongalia	355
Boone	103	Monroe	52
Braxton	59	Morgan	69
Brooke	88	Nicholas	99
Cabell	551	Ohio	230
Calhoun	20	Pendleton	25
Clay	28	Pleasants	17
Doddridge	21	Pocahontas	27
Fayette	164	Preston	134
Gilmer	17	Putnam	249
Grant	60	Raleigh	314
Greenbrier	164	Randolph	93
Hampshire	62	Ritchie	41
Hancock	117	Roane	36
Hardy	35	Summers	44
Harrison	361	Taylor	55
Jackson	109	Tucker	27
Jefferson	170	Tyler	40
Kanawha	904	Upshur	83
Lewis	49	Wayne	126
Lincoln	64	Webster	19
Logan	177	Wetzel	64
Marion	275	Wirt	14
Marshall	144	Wood	402
Mason	106	Wyoming	111
McDowell	63		
Mercer	267		
Mineral	91		