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January 5, 2004

William Transier, Chairman
TexasOnline Authority

Phil Barrett, TexasOnline Program Director
TexasOnline Program

Department of Information Resources
300 West 15th St.
Suite 1300
Austin, TX 78701

Gentlemen:

Pursuant to the TexasOnline Authority's "Occupational Licensing Exemption Policy" (adopted 12/12/03), this letter petitions the Authority, at its meeting in February 2004, to consider this request by the Barber Board for an exemption from the online renewal of licenses/permits and original licenses/permits for these reasons:

- (1) It is not cost effective for the agency because its paper workload has not been reduced nor streamlined due to the Barber Law requirement that a renewal applicant must *present* to the agency a health certificate from a physician stating the applicant does not have an infectious or contagious disease [Texas Occupations Code, Chapter 1601, 402(d)];
- (2) It does not benefit the licensees because a renewal applicant still must submit paperwork (the health certificate) which negates a faster turnaround time for a license holder to receive a renewal
- (3) It is not cost effective for licensees [\$295.68 per successful renewal]; and
- (4) It does not benefit the licensees because the percentage of participating licensees is too low, i.e., a low Internet user population.

The Barber Board went online for barber renewals on July 1, 2002, and manicurist renewals on September 1, 2003. With regard to (3) and (4) above, the following renewal data for July 1, 2002 - October 31, 2003 (16 months; 67% of the eligible two-year renewal population) are presented for the Authority's consideration.

143 renewals through TexasOnline

281 attempted TexasOnline renewals rejected for various reasons:
default on child support payments and Guaranteed Student Loans; repetitions by individuals;
blockage for failure to pay administrative fines; failure to submit all data (e.g., date of birth)

424 total attempts (successful and unsuccessful) through TexasOnline [143 + 281]

7,048 renewals through routine, paper procedures

$143 \div 7,191$ [successful online (143) + paper (7,048)] = 1.99% successful renewal through TexasOnline

$424 \div 7,472$ [successful and unsuccessful online (424) + paper (7,048)] = 5.67% participation through TexasOnline

\$42,283 in subscription fees deposited into the Uniform Statewide Accounting System

$\$42,283 \div 424 = \99.72 per renewal attempt (successful and unsuccessful)

$\$42,283 \div 143 = \295.68 per successful renewal

These data suggest the online renewal is not cost effective for the agency and its licensees for several reasons:

\$99.72 per renewal attempt

\$295.68 per successful renewal

\$6 and \$3 renewal subscription fee paid by licensees provides a service not used by 98.01% of the Barber Board's successful renewal applicants and 94.3% of the Board's total renewal applicants

the service does not provide a benefit to the licensees because the number of participants is too low (1.99%)

The low participation occurred even though the Barber Board -- since the inception of its participation in TexasOnline -- has aggressively marketed TexasOnline as follows:

Inserted a TexasOnline flyer in every renewal mailed from the agency (approximately 550 - 650 per month);

Placed an instructive message regarding renewing through TexasOnline on the renewal application;

Distributed a TexasOnline flyer in every barbershop and manicurist shop inspected by Barber Board inspectors (11,700);

Established a direct link on the Barber Board website to the page within TexasOnline's web site for renewal; and

Informed individuals who called with questions about license renewal that they could renew online.

Perhaps this small participation can be attributed, in part, to the Barber Law requirement that an applicant for an original and a renewal license *present* a health certificate from a physician stating the applicant does not have an infectious or contagious disease [Texas Occupations Code, Chapter 1601. 264, 402(d)]. The Barber Board requested the 78th Texas Legislature to remove this requirement from the Barber Law because it is considered antiquated by the Barber Board and the Texas Department of Health.

Nevertheless, an objective assessment of the available data suggests that the possibility for significant expansion in the percentage of renewal licensees' and permit holders' participation in TexasOnline is not probable. The available data also suggest there would be a minimal participation in TexasOnline by original licensees and permit holders.

Therefore, the Barber Board's participation in the online licensing system for renewal licenses/permits and original licenses/permits is inconsistent with several components of the TexasOnline **Mission Statement** and several of the **Anticipated Benefits** to the state and its citizens (see *bold italic*).

Mission Statement:

TexasOnline, a knowledge gateway, is the preferred single point of access to government and public information and services that is private, secure, convenient, *efficient, service-oriented, and accessible to everyone* [Status Report on the TexasOnline Common Occupational Licensing System; January 1, 2003; i]

Anticipated Benefits to the State [Status Report; 5]:

Less paperwork for agencies
Streamlined renewal process for agency staff

Anticipated Benefits to the Citizen [Status Report; 6]:

Faster turnaround time for a license holder to receive a renewed license
Convenience of renewing the license anytime and not having to fill out paperwork

Thank you for your consideration of this petition..

William H. Kuykendall, J.D.
Chairman

Glenn D. Parker
Chief Fiscal Officer
Executive Director (Acting)