



NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Telephone (919) 814-0640 • Fax (919) 981-5068
7001 Mail Service Center
Raleigh, NC 27699-7000
barbers@nc.gov • electrolysis@nc.gov
bbee.nc.gov

Minutes for Public Meeting Held October 22, 2024, at 9:00 a.m. Videoconference

Board Members

Sherod Holloway, Board Chairperson, Barber Member
Don Beal, Barber Member
Craig N. Burkhart, MD, Physician Member
William K. Graham, Barber Member
Kristina Proctor, Public Member
Paula M. Rolka, LE, CPE, Electrologist Member
Michael T. Swinney, Barber Member
David L. Williams, Barber Member
Margaret Wingate, LE, Electrologist Member

Executive Director

Dennis Seavers

Counsels to the Board

M. Jackson Nichols

The meeting of the North Carolina Board of Barber and Electrolysis Examiners was called to order at 9:09 a.m., on October 22, 2024.

The following board members were present by video- or teleconference: Sherod Holloway; Don Beal; Craig N. Burkhart, MD; William K. Graham; Paula M. Rolka, LE; Michael T. Swinney; David L. Williams; and Margaret Wingate, LE. The following board member was absent: Kristina Proctor.

Also in attendance by videoconference was Dennis Seavers, Executive Director.

OPEN SESSION

Ethics awareness and conflict of interest

Mr. Holloway read the statement required by G.S. § 138A-15(e) on ethics awareness and conflicts of interest. No board members indicated that they had any potential or actual conflicts.

Approval of minutes

Dr. Burkhart made a motion to approve the closed-session narrative from the meeting on August 20, 2024. Mr. Swinney seconded the motion, which passed 7–0 by roll-call vote. (Mr. Graham was not present for this portion of the meeting.)

Board member	Yes	No	Abstain	Not present
Sherod Holloway	X			
Don Beal	X			
Craig N. Burkhart	X			
William K. Graham				X
Kristina Proctor				X
Paula M. Rolka	X			
Michael T. Swinney	X			
David L. Williams	X			
Margaret Wingate	X			
Total	7	0	0	2

Dr. Burkhart made a motion to approve the minutes from the meeting on August 20, 2024. Mr. Swinney seconded the motion, which passed 8–0 by roll-call vote.

Board member	Yes	No	Abstain	Not present
Sherod Holloway	X			
Don Beal	X			
Craig N. Burkhart	X			
William K. Graham	X			
Kristina Proctor				X
Paula M. Rolka	X			
Michael T. Swinney	X			
David L. Williams	X			
Margaret Wingate	X			
Total	8	0	0	1

Rulemaking

Mr. Holloway referred board members to Mr. Seavers’s October 14, 2024 memo on permanent rulemaking (see Attachment 1), which dealt primarily with rules for mobile barber shops. Mr. Seavers answered questions from the board.

Mr. Beal made a motion to propose the rules as presented in the memo. Mr. Williams seconded the motion, which passed 8–0 by roll-call vote.

Board member	Yes	No	Abstain	Not present
Sherod Holloway	X			
Don Beal	X			
Craig N. Burkhart	X			
William K. Graham	X			
Kristina Proctor				X
Paula M. Rolka	X			
Michael T. Swinney	X			
David L. Williams	X			
Margaret Wingate	X			
Total	8	0	0	1

Proposal from Lee Brooks about barber apprenticeships

Mr. Holloway gave an overview of the discussions the board had about this topic in the past. Mr. Brooks was present and answered questions from the board. Mr. Williams said the proposal was very good but did not believe the board should adopt it. Other board members offered comments about the proposal from their perspective. Mr. Brooks expressed his appreciation and encouraged board members to reach out to him with ideas or modifications.

Financial statements

Mr. Holloway referred board members to the financial audit report and draft financial statements (see Attachment 2). Mr. Seavers offered a brief overview of the financials and answered questions from the board members. Mr. Beal made a motion to adopt the financial statements, and Mr. Graham seconded. The motion passed 8–0 by roll-call vote.

Board member	Yes	No	Abstain	Not present
Sherod Holloway	X			
Don Beal	X			
Craig N. Burkhart	X			
William K. Graham	X			
Kristina Proctor				X
Paula M. Rolka	X			
Michael T. Swinney	X			
David L. Williams	X			
Margaret Wingate	X			
Total	8	0	0	1

Recognition of Carolyn Davis

Board members expressed their gratitude to Carolyn Davis, who had been an administrative assistant for the board for almost 32 years. Mr. Seavers also read statements of appreciation from barber schools. Members of the public who were present on the videoconference offered words of appreciation.

Mr. Holloway adjourned the meeting at 10:22 a.m.

Minutes approved on November 18, 2024.

Sherod Holloway
Board Chairperson



NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Memo

TO: Board members

FROM: Dennis Seavers

DATE: October 14, 2024

SUBJECT: Permanent rulemaking

The board previously approved temporary rules for various barber-related regulations. Most of these rules focused on mobile barber shops, though a few were minor changes to reflect changes in statutes.

The enclosed rules would be permanent rules to replace the temporary rules. Overall, the language is the same. However, there were a few changes to reflect responses by or objections from the Rules Review Commission when the temporary rules were considered.

If the board still approves of the proposed rules, it should pass a motion to adopt them. I will then submit a proposed fiscal note for approval by the Office of State Budget and Management (OSBM). In November or December, the rules will be published in the North Carolina Register, and there will be a 60-day public-comments period. Please note that the effective date in the rules may need to change, depending on when OSBM approves the fiscal note.

1 21 NCAC 06C .0912 is proposed for amendment as follows:

2

3 **21 NCAC 06C .0912 COMPLAINTS**

4 (a) An individual who wishes to make a complaint alleging a violation of ~~G.S. 86A~~ G.S. 86B or the Board's rules
5 shall submit the complaint in writing to the address or through the website set forth in 21 NCAC 06A .0102.

6 (b) Upon receipt of a complaint, the Board's Executive Director shall review the complaint. The Executive Director
7 shall investigate or assign a staff member to investigate the complaint, except for complaints that are dismissed as set
8 forth in Paragraph (c) of this Rule.

9 (c) The Executive Director shall dismiss the complaint and notify the complainant if the complaint:

10 (1) lacks information, such as ~~barbershop~~ business location or a description of the alleged conduct,
11 necessary to investigate the complaint. Before dismissal, the Executive Director shall attempt to
12 collect additional information from the complainant; or

13 (2) alleges conduct that is not prohibited by ~~G.S. 86A~~ G.S. 86B or the Board's rules or is not within the
14 Board's jurisdiction. The Executive Director shall refer the complaint to any other agency that may
15 have jurisdiction.

16 (d) After conducting an investigation, the assigned staff member shall:

17 (1) recommend to the Executive Director that the Board counsel issue a probable cause letter for
18 violations of ~~G.S. 86A~~ G.S. 86B or the Board's rules; or

19 (2) recommend that the Executive Director dismiss the complaint because there is insufficient evidence
20 of a violation of ~~G.S. 86A~~ G.S. 86B or the Board's rules or the alleged conduct is not within the
21 Board's jurisdiction.

22 (e) After receiving a recommendation required by Paragraph (d) of this Rule, the Executive Director shall:

23 (1) conduct or request additional investigation by the assigned staff member on a case-by-case basis
24 when the recommendation does not contain facts to support the actions set forth in Subparagraphs
25 (2) or (3) of this Paragraph;

26 (2) recommend that the Board counsel issue a probable cause letter for violations of ~~G.S. 86A~~ G.S. 86B
27 or the Board's rules; or

28 (3) dismiss the complaint and notify the complainant, except that the Executive Director shall refer the
29 complaint to any other agency that may have jurisdiction.

30 (f) At each regularly scheduled Board meeting, the Executive Director shall submit to the Board a report of dismissed
31 complaints that he or she has not previously reported, with a summary of the allegations and a justification for the
32 dismissal. If the complaint was dismissed within 30 days of the Board meeting, the Executive Director may instead
33 include the dismissal in the report for the Board meeting following the next regularly scheduled meeting.

34 (g) By a majority vote, the Board may reopen any complaint that the Executive Director has dismissed, in which case
35 the complaint shall be handled as if the Executive Director had not dismissed the complaint.

36

37 *History Note: Authority G.S. ~~86A-5~~; 86B-2.*

- 1 *Eff. April 1, 2017;*
- 2 *Temporary Amendment Eff. May 2, 2023;*
- 3 *Temporary Amendment Exp. Eff. February 9, ~~2024~~ 2024;*
- 4 *Amended Eff. March 1, 2025.*

1 21 NCAC 06F .0104 is proposed for amendment as follows:

2

3 **21 NCAC 06F .0104 INSTRUCTORS**

4 (a) At least one barber instructor shall supervise barber students whenever they are engaged in barbering ~~activities at~~
5 ~~all times.~~ services.

6 (b) Barber instructors shall barber only for the purpose of instruction or demonstration while on the premises of the
7 barber school.

8 (c) All course work as outlined under 21 NCAC 06F .0120 shall be taught by a ~~certified~~ licensed barber instructor.

9

10 *History Note: Authority G.S. ~~86A-22; 86A-23; 86B-38; 86B-39;~~*

11 *Eff. February 1, 1976;*

12 *Readopted Eff. February 8, 1978;*

13 *Amended Eff. September 1, 2009; June 1, 2008; May 1, 1989;*

14 *Readopted Eff. July 1, 2016;*

15 *Temporary Amendment Eff. May 2, 2023;*

16 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024.*

17 *Amended Eff. March 1, 2025.*

1 21 NCAC 06F .0120 is proposed for amendment as follows:

2

3 **21 NCAC 06F .0120 BARBER SCHOOL CURRICULA CURRICULUM**

4 (a) The following categories and courses shall comprise the minimum course work for all barber students at barber
5 schools:

6 Hours

7 Classroom Lecture and Study Periods:

8	Hygiene and Good Grooming, Professional Ethics	25
9	Bacteriology, Sterilization, Sanitation	50
10	Implements, Honing, Stropping, and Shaving	30
11	Men's Haircutting	20
12	Cutting and Styling Curly Hair, Mustaches, and Beards	10
13	Shampooing and Rinsing, Scalp and Hair Treatments	10
14	Theory of Massage and Facial Treatments	5
15	Men's Razor Cutting, Women's Razor, and Shear Cutting	30
16	Finger Waving Men's Hair, Air Waving, and Curling Iron Techniques	5
17	Permanent Waving For Men, Chemical Hair Relaxing, and Blow Drying	25
18	Hair Coloring	10
19	Men's Hair Pieces	5
20	The Skin, Scalp, and Hair	30
21	Disorders of the Skin, Scalp, and Hair	15
22	Anatomy and Physiology	10
23	Electricity Therapy, Light Therapy, and Chemistry	10
24	Barber Styling, <u>Barber Shop and Mobile Barber Shop</u> Management, and Product Knowledge	
25		70
26	Licensing Laws and Rules and History of Barbering	20

27

28 Supervised Practice in Barbering:

29	Shampooing and Scientific Hair and Scalp Treatments	55
30	Shaving	50
31	Tapered Hair Cutting	250
32	Hair Styling of Men and Women	400
33	Facials, Massages, and Packs	10
34	Bleaching, Frosting, Hair Coloring, and Body Permanents	90
35	Cutting and Fitting Hair Pieces	5
36	Hair Straightening	5
37	The Analyzing and Treatment of Hair and Skin Disorders	10

1		
2	Lectures and Demonstrations on Practical Work:	
3	Shampooing and Scientific Hair and Scalp Treatments	15
4	Shaving	20
5	Tapered Hair Cutting	70
6	Hair Styling of Men and Women	100
7	Facials, Massages, and Packs	5
8	Bleaching, Frosting, Hair Coloring, and Permanent Waving	30
9	Cutting and Fitting Hair Pieces	5
10	Hair Straightening	3
11	The Analyzing and Treating of Hair and Skin Disorders	10
12	Men's and Women's Razor Cutting	15
13		
14		Total Hours 1,528 <u>1,528</u>

16 (b) Barber schools shall offer no more than the following hours through online classes based on the curriculum set
17 forth in Paragraph (a) of this Rule:

18		Hours
19	Classroom Lecture and Study Periods:	380
20		
21	Supervised Practice in Barbering:	
22	Tapered Hair Cutting	25
23	Hair Styling of Men and Women	34
24	Bleaching, Frosting, Hair Coloring, and Body Permanents	35
25		
26	Lectures and Demonstrations on Practical Work:	
27	Shampooing and Scientific Hair and Scalp Treatments	8
28	Shaving	5
29	Tapered Hair Cutting	20
30	Hair Styling of Men and Women	50
31	Bleaching, Frosting, Hair Coloring, and Permanent Waving	5
32	The Analyzing and Treating of Hair and Skin Disorders	7
33	Men's and Women's Razor Cutting	7
34		
35		Total Online Hours 576

36

1 (c) All barber schools shall use course books and training materials ~~specifically created for the purpose of teaching~~
2 ~~barbering skills. Unless the course book or training material has separate and distinct sections covering the practice of~~
3 ~~barbering, cosmetology course books and training materials are not acceptable. that only cover topics related to~~
4 barbering, unless the other topics are in sections separate from barbering topics.

5 (d) ~~Through December 31, 2021, barber schools may offer all hours listed in Paragraph (a) of this Rule through online~~
6 ~~classes, Paragraph (b) of this Rule notwithstanding.~~

7
8 *History Note: Authority G.S. ~~86A-22(1); 86A-22(4); 86B-38;~~*
9 *Eff. March 1, 1983;*
10 *Amended Eff. June 1, 2008; May 1, 1989;*
11 *Readopted Eff. July 1, 2016;*
12 *Amended Eff. April 1, 2021;*
13 *Temporary Amendment Eff. May 2, 2023;*
14 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024;*
15 *Amended Eff. March 1, 2025.*

1 21 NCAC 06G .0106 is proposed for amendment as follows:

2

3 **21 NCAC 06G .0106 INSTRUCTOR APPLICATION**

4 To become a ~~registered barber~~ licensed instructor an applicant shall furnish the Board with the Form BAR-6 as set
5 forth in 21 NCAC 06N .0107 and pay the fee in ~~21 NCAC 06N .0101(a)(11)~~. 21 NCAC 06N .0101(a)(13).

6

7 *History Note: Authority G.S. ~~86A-23(a); 86A-25; 86B-39; 86B-41;~~*

8 *Eff. October 1, 2016;*

9 *Temporary Amendment Eff. May 2, 2023;*

10 *Temporary Amendment Exp. Eff. February 9, ~~2024~~ 2024;*

11 *Amended Eff. March 1, 2025.*

1 21 NCAC 06J .0110 is proposed for amendment as follows:

2

3 **21 NCAC 06J .0110 NOTIFICATION OF ADDRESS CHANGE**

4 All ~~apprentice barbers~~ licensed apprentices and ~~student barbers~~ barber students with temporary permits shall notify
5 the Board within ~~60~~ 30 days of any change in their ~~permanent~~ mailing address.

6

7 *History Note: Authority G.S. ~~86A-11; 86A-24; 86B-27; 86B-40;~~*

8 *Eff. September 1, 2009;*

9 *Readopted Eff. July 1, 2016;*

10 *Temporary Amendment Eff. May 2, 2023;*

11 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024.*

12 *Amended Eff. March 1, 2025.*

1 21 NCAC 06K .0101 is proposed for amendment as follows:
2

3 **SUBCHAPTER 06K - ~~REGISTERED~~ LICENSED BARBER**
4

5 **SECTION.0100 – ~~REGISTERED~~ LICENSED BARBER**
6

7 **21 NCAC 06K .0101 ~~REGISTERED~~ LICENSED BARBER**

8 To become a ~~registered~~ licensed barber, an applicant shall:

- 9 (1) meet the qualifications in ~~G.S. 86A-3; G.S. 86B-23;~~
10 (2) furnish the Board with Form BAR-5 as set forth in 21 NCAC 06N .0106 and pay the fee according
11 to 21 NCAC 06N .0101; and
12 (3) make a score of at least 70 percent on the ~~clinical~~ practical portion of the ~~registered~~ licensed barber
13 examination.
14

15 *History Note: Authority G.S. ~~86A-3; 86A-25; 86B-23; 86B-41;~~*
16 *Eff. February 1, 1976;*
17 *Readopted Eff. February 8, 1978;*
18 *Amended Eff. March 1, 1983;*
19 *Legislative Objection Lodged Eff. March 7, 1983;*
20 *Curative Amended Eff. April 6, 1983;*
21 *Amended Eff. June 1, 2008; May 1, 1989;*
22 *Readopted Eff. July 1, 2016;*
23 *Temporary Amendment Eff. May 2, 2023;*
24 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024.*
25 *Amended Eff. March 1, 2025.*

1 21 NCAC 06K .0104 is proposed for amendment as follows:

2

3 **21 NCAC 06K .0104 OUT-OF-STATE APPLICANTS**

4 An applicant who is licensed as a barber in another state and who wants to apply to become ~~registered as a licensed~~
5 barber in this State shall ~~establish his or her out of state license and experience and~~ provide:

6 (1) the Form BAR-8 as set forth in 21 NCAC 06N .0109 and the required fee as set forth in ~~21 NCAC~~
7 ~~06N .0101(a)(21); 21 NCAC 06N .0101;~~ and

8 (2) a ~~certified statement letter~~ from the ~~applicant's state agency that issued the~~ out-of-state ~~Board~~
9 ~~license, with stating the following:~~ following information:

10 (a) the applicant's length of licensure in that state;

11 (b) whether such licensure has been continuous or has been interrupted by periods when the
12 applicant was not licensed in the state;

13 (c) the reasons for any such interruptions in licensure; and

14 (d) whether or not there have been any disciplinary actions against the applicant's license.

15

16 *History Note: Authority G.S. ~~86A-12; 86A-25; 86B-28; 86B-41;~~*

17 *Eff. February 1, 1976;*

18 *Readopted Eff. February 8, 1978;*

19 *Amended Eff. March 1, 1983;*

20 *Legislative Objection Lodged Eff. March 7, 1983;*

21 *Amended Eff. September 1, 2013; May 1, 1989;*

22 *Readopted Eff. October 1, 2016;*

23 *Temporary Amendment Eff. May 2, 2023;*

24 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024.*

25 *Amended Eff. March 1, 2025.*

1 21 NCAC 06K .0110 is proposed for amendment as follows:

2

3 **21 NCAC 06K .0110 IDENTIFICATION**

4 All ~~registered licensed~~ barbers shall maintain their ~~permit license~~ as defined in 21 NCAC 06P .0103(7) in their
5 possession ~~at all times while~~ whenever they are performing barbering services. The individual conducting barbering
6 services shall produce ~~the~~ a current government-issued photo identification to the Board's Executive Director or
7 inspector upon request.

8

9 *History Note: Authority G.S. ~~86A-1; 86A-10; 86B-21; 86B-26;~~*

10 *Eff. June 1, 2008;*

11 *Readopted Eff. July 1, 2016;*

12 *Temporary Amendment Eff. May 2, 2023;*

13 *Temporary Amendment Exp. Eff. February 9, ~~2024~~ 2024;*

14 *Amended Eff. March 1, 2025.*

1 21 NCAC 06K .0111 is proposed for amendment as follows:

2

3 **21 NCAC 06K .0111 NOTIFICATION OF CHANGE OF ADDRESS**

4 All ~~registered~~ licensed barbers shall notify the Board within ~~60~~ 30 days of any change in their ~~permanent~~ mailing
5 address.

6

7 *History Note: Authority G.S. ~~86A-5; 86A-10; 86A-21;~~ 86B-2; 86B-5; 86B-26;*

8 *Eff. September 1, 2009;*

9 *Readopted Eff. July 1, 2016;*

10 *Temporary Amendment Eff. May 2, 2023;*

11 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024.*

12 *Amended Eff. March 1, 2025.*

1 21 NCAC 06K .0112 is amended under temporary procedures with changes as follows:

2
3 **21 NCAC 06K .0112 APPLICANTS WITH MILITARY TRAINING AND EXPERTISE**

4 (a) Except for individuals who want to apply under ~~G.S. 86A-12 for licensure as~~ G.S. 86B-28 to be a registered
5 licensed barber, an individual who has military training and expertise and wants to apply to become a ~~registered~~
6 licensed barber in this State shall:

- 7 (1) meet the requirements of G.S. 93B-15.1(a) or (a2); and
8 (2) submit the Form BAR-11 as set forth in 21 NCAC 06N .0112.

9 (b) The applicant shall submit with the Form BAR-11 a ~~certification~~ letter from the ~~applicant's out-of-state state~~
10 agency that issued the out-of-state license ~~of certifying~~ the applicant's licensure in that state if the following apply:

- 11 (1) the applicant has been licensed in another state;
12 (2) the applicant wants to be licensed without examination;
13 (3) the military service records do not show that the applicant received at least 1,500 hours of military
14 training and that the applicant practiced at least two of the five years preceding the date of
15 application; and
16 (4) the combination of the certification letter and the military service records show that the applicant
17 received at least 1,500 hours of training and practiced at least two of the five years preceding the
18 date of application.

19 (c) If the applicant meets the requirements in Paragraph (a) of this Rule and G.S. 93B-15.1(a2), the applicant shall
20 shall:

- 21 (1) ~~submit the fee as set forth in 21 NCAC 06N .0101(a)(4); and~~
22 (2) ~~make a score of at least 70 percent on the clinical examination.~~ practical examination required by
23 G.S. 93B-15.1(a2)(2).

24 (d) ~~After being approved under this Rule, the applicant shall submit the following fee:~~

- 25 (1) ~~if the applicant meets the requirements of this Rule for licensure without examination, the fee as set~~
26 ~~forth in 21 NCAC 06N .0101(a)(21); or~~
27 (2) ~~if the applicant meets the requirements of Paragraph (c) of this Rule, the fee as set forth in 21 NCAC~~
28 ~~06N .0101(a)(1).~~

29 ~~(e)~~(d) The Board shall issue a temporary permit for the applicant to work as a ~~registered~~ licensed barber while he or
30 she complies with the requirements of this Rule under the following circumstances:

- 31 (1) if the applicant has submitted the Form BAR-11 and part of the documentation required by 21
32 NCAC 06N .0112(a)(2), and this partial documentation establishes that he or she served in the
33 military and has certification or experience in barbering, the Board shall issue a temporary permit
34 that lasts 90 days or until the Board denies the application, whichever is earlier; or
35 (2) if the applicant is required to take the practical examination and has met the requirements in
36 ~~Paragraph (a) and Subparagraph (c)(1) of this Rule,~~ Paragraph (a), the Board shall issue a temporary
37 permit that last 90 days or until the Board denies the application, whichever is earlier. Upon written

1 request by the applicant, this temporary permit shall be extended for 90 days no more than twice,
2 unless the Board denies the application.

3
4 *History Note: Authority G.S. ~~86A-1; 86A-11; 86A-12; 86A-25; 86B-21; 86B-27; 86B-28; 86B-41; 93B-15.1;~~*
5 *Eff. April 1, 2017;*
6 *Temporary Amendment Eff. May 2, 2023;*
7 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024;*
8 *Amended Eff. March 1, 2025.*

1 21 NCAC 06K .0113 is proposed for amendment as follows:

2

3 **21 NCAC 06K .0113 MILITARY SPOUSES**

4 (a) An individual who is currently licensed as a barber in another state, is the spouse of a person serving in the military,
5 and wants to apply to become a ~~registered~~ licensed barber in this State shall provide the following, unless he or she
6 wants to apply under ~~another provision in G.S. 86A~~ G.S. 86B-28 for licensure as a ~~registered~~ licensed barber:

7 (1) the Form BAR-12 as set forth in 21 NCAC 06N .0113; and

8 (2) a ~~certification~~ letter from the ~~applicant's out-of-state~~ state agency that issued the out-of-state license
9 of certifying the applicant's licensure in that state.

10 (b) The applicant shall instead apply for out-of-state licensure under ~~G.S. 86A-12~~ G.S. 86B-28 and Rule .0104 of this
11 Section if the certification letter required by Subparagraph (a)(2) of this Rule does not show that the ~~applicant:~~
12 applicant

13 (1) ~~completed at least 1,500 hours of barber school training; training, and~~

14 (2) ~~has been licensed as a barber for at least one of the five years preceding the date of application.~~

15 (c) ~~After being approved under this Rule, the applicant shall submit the fee set forth in 21 NCAC 06N .0101(a)(21).~~

16 (d)(c) Upon request by the applicant, the Board shall issue one temporary permit for the applicant to work as a
17 ~~registered~~ licensed barber for 90 days while the applicant gathers the documents required by this Rule.

18

19 *History Note: Authority G.S. 86A-1; 86A-3; 86A-11; 86A-12; 86A-25; 86B-21; 86B-23; 86B-27; 86B-28; 86B-41;*
20 *93B-15.1;*

21 *Eff. April 1, 2017;*

22 *Temporary Amendment Eff. May 2, 2023;*

23 *Temporary Amendment Exp. Eff. February 9, 2024. 2024;*

24 *Amended Eff. March 1, 2025.*

1 21 NCAC 06L .0104 is proposed for amendment as follows:

2

3 **21 NCAC 06L .0104 BARBER SHOP AND MOBILE BARBER SHOP PERMITS**

4 ~~(a) All applications for shop permits shall be on file in the office of the Board 15 days prior to the date when a shop~~
5 ~~will be complete and ready for inspection. Applications shall meet the requirements of 21 NCAC 06N .0102.~~

6 ~~(b)~~(a) If the barber shop or mobile barber shop ~~is~~ will not be ready for inspection on a scheduled date, the owner or
7 licensed barber manager shall notify the Board.

8 ~~(c)~~(b) ~~Failure~~ If a barber shop or mobile barber shop fails to notify the Board of a change of address before the
9 inspection, the barber shop or mobile barber shop shall result in forfeiture of forfeit the inspection fee. fee required by
10 21 NCAC 06N .0101.

11

12 *History Note: Authority G.S. ~~86A-1; 86A-13; 86B-21; 86B-29;~~*
13 *Eff. February 1, 1976;*
14 *Readopted Eff. February 8, 1978;*
15 *Amended Eff. May 1, 1989; March 1, 1983;*
16 *Readopted Eff. July 1, 2016;*
17 *Temporary Amendment Eff. May 2, 2023;*
18 *Temporary Amendment Exp. Eff. February 9, 2024. 2024;*
19 *Amended Eff. March 1, 2025.*

1 21 NCAC 06L .0106 is amended under temporary procedures with changes as follows:

2

3 **21 NCAC 06L .0106 SEPARATION FROM OTHER BUSINESSES; RESIDENTIAL SHOPS; MOBILE**
4 **HOMES BARBER SHOPS**

5 (a) When a building or room is used for both a barber shop and for some other business and the building or room does
6 not have air conditioning, ventilation, ~~or~~ heat outlets, or air circulation, the ~~required~~ requirement set forth in G.S. 86B-
7 31(a)(1)(b) for a partition between the barber shop and the other business ~~may shall~~ be fulfilled if the partition extends
8 ~~completed~~ from the floor up to a minimum of six feet with material from six feet to the ceiling that permits ~~good~~ air
9 circulation.

10 (b) Notwithstanding Paragraph (a) of this Rule and ~~21 NCAC 06L .0102~~, Rule .0102 of this Subchapter, when a
11 barber shop is located within a ~~shop~~ salon licensed by the North Carolina Board of Cosmetic Art Examiners and was
12 permitted on or after January 1, 1995, or undergoes modifications or structural renovations after that date, the area
13 where the barber chair or chairs are located shall comply with the sanitary regulations in ~~G.S. 86A-15(a)~~ G.S. 86B-31
14 and this Subchapter not inconsistent with this Rule.

15 (c) A barber shop permitted on or after July 1, ~~2008~~ 2008, that operates in a residential building shall maintain a
16 separate entrance that shall not open off the living quarters, and shall not have any doors or openings leading to the
17 living quarters that are unlocked during business hours. Entrance through garages or any other rooms is not permitted.

18 (d) The toilet facilities or any sink in the living quarters of any residence shall not be considered to comply with the
19 toilet facility and sink requirements in 21 NCAC 06L .0103 or the sink distance requirement in 21 NCAC 06L .0107.

20 ~~(e) For barber shops permitted on or after July 1, 2008, mobile homes, motor homes, trailers or any type of recreational~~
21 ~~vehicle shall be permanently affixed so they cannot be moved. Any such structure approved for a barber shop shall~~
22 ~~maintain a separate entrance that shall not open off the living quarters, and shall not have any doors or openings to the~~
23 ~~living quarters that are unlocked during business hours.~~

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25 *History Note: Authority G.S. ~~86A-15~~; 86B-31;*

26 *Eff. February 1, 1976;*

27 *Readopted Eff. February 8, 1978;*

28 *Amended Eff. April 1, 2010; June 1, 2008; January 1, 1995; May 1, 1989; March 1, 1983;*

29 *Readopted Eff. July 1, 2016;*

30 *Temporary Amendment Eff. May 2, 2023;*

31 *Temporary Amendment Exp. Eff. February 9, ~~2024~~ 2024;*

32 *Amended Eff. March 1, 2025.*

1 21 NCAC 06L .0107 is proposed for amendment as follows:

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3 **21 NCAC 06L .0107 LAVATORY**

4 (a) Each barber shop permitted before January 1, ~~1995~~ 1995, that is not modified or structurally renovated after that
5 date shall have for each barber a functioning sink with hot and cold water, located at a convenient place as required
6 by ~~G.S. 86A-15(a)(1)(d)~~. G.S. 86B-31.

7 (b) For barber shops permitted on or after January 1, ~~1995~~ 1995, or that undergo modifications or structural renovation
8 after that date, a sink shall be located within seven unobstructed linear feet of each barber chair.

9 (c) Each sink of a barber shop shall have a drainpipe connected to a sewer line to drain all wastewater out of the
10 building.

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12 *History Note: Authority G.S. ~~86A-15~~; 86B-31;*
13 *Eff. February 1, 1976;*
14 *Readopted Eff. February 8, 1978;*
15 *Amended Eff. June 1, 2008; January 1, 1995; May 1, 1989;*
16 *Readopted Eff. July 1, ~~2016~~ 2016;*
17 *Temporary Amendment Eff. May 2, 2023;*
18 *Temporary Amendment Exp. Eff. February 9, ~~2024~~ 2024;*
19 *Amended Eff. March 1, 2025.*

1 21 NCAC 06L .0109 is proposed for amendment as follows:

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3 **21 NCAC 06L .0109 COMMERCIAL CHEMICALS DISINFECTANTS**

4 (a) No person, barber shop, mobile barber shop, or school licensed or ~~registered~~ permitted under ~~Chapter 86A~~ of the
5 ~~North Carolina General Statutes~~ G.S. 86B shall use any ~~commercial chemical~~ disinfectant in the practice of barbering
6 unless the ~~commercial chemical~~ disinfectant is received with a list of all contents and instructions for its use.

7 (b) ~~For the purposes of this Rule, "commercial chemical" is defined in G.S. 86A-5(b)(1).~~ Disinfectants must be:

8 (1) registered with the Environmental Protection Agency as identified in Pesticide Registration List N:
9 Disinfectants for Coronavirus (COVID-19), as set forth in 29 CFR 1910.509(b)(2); and

10 (2) effective against communicable pathogens, including:

11 (A) Human immunodeficiency virus;

12 (B) Hepatitis B and C;

13 (C) Herpes;

14 (D) Influenza;

15 (E) Human coronavirus, including severe acute respiratory syndrome coronavirus 2;

16 (F) Trichophyton;

17 (G) Microsporum;

18 (H) Epidermophyton; and

19 (G) Staphylococcus.

20

21 *History Note: Authority G.S. ~~86A-5; 86B-2; 86B-31;~~*

22 *Eff. March 1, 1983;*

23 *Amended Eff. May 1, 1989;*

24 *Readopted Eff. July 1, 2016;*

25 *Temporary Amendment Eff. May 2, 2023;*

26 *Temporary Amended Exp. Eff. February 9, ~~2024.~~ 2024;*

27 *Amended Eff. March 1, 2025.*

1 21 NCAC 06L .0111 is proposed for amendment as follows:

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3 **21 NCAC 06L .0111 WHERE BARBER SERVICES MAY BE PERFORMED**

4 (a) Except as provided in this Rule, all barber services as defined in ~~G.S. 86A-2~~ G.S.86B-22 shall only be performed
5 at a location or vehicle permitted by the Board as a barber ~~shop.~~ shop or mobile barber shop.

6 (b) A ~~registered~~ licensed barber may perform barbering services in a client's home, and the home shall be exempt
7 from the inspection requirements of ~~G.S. 86A-15(b);~~ G.S. 86B-31(b) under the following conditions:

8 (1) The client upon whom barber services are being performed is unable, due to a medical necessity, to
9 come to a ~~licensed~~ barber shop or mobile barber shop;

10 (2) The licensed barber maintains a log of each instance where this exemption is used, including the
11 name of the client, address of the home where the services were performed, the date services were
12 performed, and the medical necessity requiring that barber services be provided in the home. The
13 log shall be made available to the Board and its inspectors ~~for review~~ for review; and

14 (3) The licensed barber otherwise complies with ~~G.S. 86A-15(a).~~ G.S. 86B-31(a).

15 (c) For purposes of this Rule, a "client's home" includes the client's residence, nursing homes, rest homes, retirement
16 homes, mental health institutions, and similar institutions where the client has established permanent residency.

17

18 *History Note: Authority G.S. ~~86A-15(e); 86B-22; 86B-31;~~*

19 *Eff. June 1, 2008;*

20 *Amended Eff. April 1, 2010;*

21 *Readopted Eff. July 1, 2016;*

22 *Temporary Amendment Eff. May 2, 2023;*

23 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024;*

24 *Amended Eff. March 1, 2025.*

1 21 NCAC 06L .0112 is proposed for amendment as follows:

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3 **21 NCAC 06L .0112 RENTED BOOTH SPACE**

4 ~~(a)~~ Where a barber shop or mobile barber shop rents or leases space to a barber, the Board shall hold the barbershop
5 owner or manager and licensee responsible for the ~~barbering services performed in the rented or leased space and for~~
6 ~~the~~ sanitary conditions of the rented or leased space.

7 ~~(b) The Board's inspectors shall examine the entire premises of each shop irrespective of booth space allotments.~~

8

9 *History Note: Authority G.S. ~~86A-15; 86B-31;~~*

10 *Eff. June 1, 2008;*

11 *Readopted Eff. July 1, 2016;*

12 *RRC objected due to lack of statutory authority and necessity Eff. April 20, ~~2023;~~ 2023;*

13 *Amended Eff. March 1, 2025.*

1 21 NCAC 06L .0113 is proposed for amendment as follows:

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3 **21 NCAC 06L .0113 DISEASES**

4 (a) No holder of a ~~registered barber, barber license, apprentice, apprentice license, or barber student barber permit~~
5 shall knowingly serve a patron:

6 (1) with an open sore or sores;

7 (2) exhibiting symptoms of an infectious dermatologic disease or disorder;

8 (3) with parasitic infestations of the skin or hair; or

9 (4) with a communicable ~~disease.~~ disease that can be spread by providing barber services.

10 (b) No holder of a ~~registered barber, barber license, apprentice, apprentice license, or student barber permit~~ who
11 knows he or she has an infectious dermatologic disease that can be spread by providing barbering services, infectious
12 disease with open sore or sores on the hand or hands, ~~or~~ parasitic infestation of the skin or hair in a communicable
13 ~~stage~~ stage, or any other communicable disease shall provide barber service in a barber shop, mobile barber shop or,
14 when authorized by Rule .0111 of this Section, ~~in a~~ client's home.

15 ~~(c) The Board shall have the right to require a physical examination of any barber employed in any barber shop who~~
16 ~~is suspected of having an infectious dermatologic disease, infectious disease with open sore or sores on the hand or~~
17 ~~hands, or parasitic infestation of the skin or hair in a communicable stage.~~

18

19 *History Note: Authority G.S. ~~86A-15; 86B-31~~;*

20 *Eff. June 1, 2008;*

21 *Readopted Eff. July 1, 2016;*

22 *Temporary Amendment Eff. May 2, 2023;*

23 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024;*

24 *Amended Eff. March 1, 2025.*

1 21 NCAC 06L .0114 is proposed for amendment as follows:

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3 **21 NCAC 06L .0114 PETS PROHIBITED**

4 ~~With the exception of trained guide or assistance animals, Except for service animals as defined in 28 CFR 36.104,~~
5 no animals shall be permitted in a barber shop or mobile barber shop.

6

7 *History Note: Authority G.S. ~~86A-15; 86B-31~~;*

8 *Eff. June 1, 2008;*

9 *Amended Eff. September 1, 2013;*

10 *Readopted Eff. July 1, 2016;*

11 *Temporary Amendment Eff. May 2, 2023;*

12 *Temporary Amendment Exp. Eff. February 9, ~~2024~~ 2024;*

13 *Amended Eff. March 1, 2025.*

1 21 NCAC 06L .0115 is proposed for amendment as follows:

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3 **21 NCAC 06L .0115 INSPECTIONS OF SHOPS**

4 (a) The Board's Executive Director and its inspectors may enter and make inspections of any barber shop or mobile
5 barber shop during ~~its~~ the business hours of the barber shop or mobile barber shop for the purpose of determining
6 whether ~~or not G.S. 86A~~ G.S. 86B and the Board's ~~administrative~~ rules are being followed. Persons authorized to
7 ~~make an inspection of~~ inspect barber shops or mobile barber shops shall prepare a report according to Rule .0119 of
8 this Section. The report shall be signed by the inspector and shall be available free of charge upon request by ~~the~~
9 ~~owner or manager or~~ any member of the public. The Board shall provide a copy of any violation notice ~~shall be left~~
10 ~~with to the barber shop or mobile barber shop. owner or registered barber manager, and retained within the barbering~~
11 ~~area until the violation is resolved with the Board.~~

12 (b) The Board's Executive Director and its inspectors ~~may~~ shall inspect all areas of the barber shop or mobile barber
13 shop, including the ~~backstand and its~~ backstand, drawers and drawers, cabinets, ~~and any other drawers, closets~~ closets,
14 or other ~~enclosures within the permitted shop.~~ enclosures.

15 (c) The Board's Executive Director and its inspectors ~~may~~ shall determine and assign numerical and letter sanitary
16 grades to a barber shop or mobile barber shop following inspections as set forth in Rules .0118 and .0119 of this
17 Section. ~~The grade shall be displayed in a place visible to the public at the front of the shop.~~

18

19 *History Note: Authority G.S. ~~86A-5(a)(1); 86A-15; 86B-2; 86B-31;~~*

20 *Eff. June 1, 2008;*

21 *Amended Eff. April 1, 2010;*

22 *Readopted Eff. July 1, 2016;*

23 *Amended Eff. January 1, 2017;*

24 *Temporary Amendment Eff. May 2, 2023;*

25 *Temporary Amendment Exp. Eff. February 9, ~~2024~~ 2024;*

26 *Amended Eff. March 1, 2025.*

1 21 NCAC 06L .0116 is proposed for amendment as follows:

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3 **21 NCAC 06L .0116 BARBER SHOP MANAGERS LICENSE VERIFICATION**

4 ~~(a) All barber shop managers~~ barber shops and mobile barber shops shall verify that any licensee employed in the
5 barber shop or mobile barber shop is the person whose name appears on the license or permit ~~prior to~~ before allowing
6 the licensee to perform barbering services in the barber shop or mobile barber shop. This verification shall be based
7 on government issued identification.

8 ~~(b) The shop manager is responsible for the sanitary condition, as defined in 21 NCAC 06P .0103(10), of the entire~~
9 ~~shop.~~

10 ~~(c) The barber shop manager is accountable for activities at the shop whether present on the premises or not.~~

11

12 *History Note: Authority G.S. ~~86A-15; 86A-22; 86B-21; 86B-33;~~*

13 *Eff. June 1, 2008;*

14 *Amended Eff. April 1, 2010;*

15 *Readopted Eff. July 1, 2016;*

16 *Amended Eff. January 1, 2018;*

17 *Temporary Amendment Eff. May 10, 2023;*

18 *Temporary Amendment Exp. Eff. February 9, ~~2024~~ 2024;*

19 *Amended Eff. March 1, 2025.*

1 21 NCAC 06L .0117 is proposed for amendment as follows:

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3 **21 NCAC 06L .0117 GENERAL SANITATION**

4 All barber shops and mobile barber shops shall remain free of ~~any signs of~~ rodents, rodent feces or urine, vermin,
5 insects, insect frass, mold, mildew, or water damage.

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7 *History Note: Authority ~~G.S. 86A-15~~; G.S. 86B-31;*

8 *Eff. June 1, 2008;*

9 *Readopted Eff. July 1, 2016;*

10 *Temporary Amendment Eff. May 2, 2023;*

11 *Temporary Amendment Exp. Eff. February 9, ~~2024~~, 2024;*

12 *Amended Eff. March 1, 2025.*

1 21 NCAC 06L .0118 is proposed for amendment as follows:

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3 **21 NCAC 06L .0118 SANITARY RATINGS AND POSTING OF RATINGS**

4 (a) The sanitary rating of a barber shop or mobile barber shop shall be based on a system of grading outlined in ~~21~~
5 ~~NCAC 06L .0119. Rule .0119 of this Subchapter.~~ Based on the grading, all establishments shall be rated in the
6 following manner:

- 7 (1) all establishments receiving a sanitary rating of at least 90 percent shall be awarded a grade A;
8 (2) all establishments receiving a sanitary rating of at least 80 percent, and less than 90 percent, shall
9 be awarded a grade B; and
10 (3) a sanitary rating of less than 80 percent shall be awarded a failing grade.

11 (b) Every barber shop or mobile barber shop shall be given a sanitary rating.

12 (c) The sanitary rating of A, B, or failing given to a barber shop or mobile barber shop ~~establishment~~ shall be posted
13 at all times in a conspicuous place, defined as a place inside the barber shop or mobile barber shop easily seen by the
14 ~~public at the front of the shop, at all times.~~ public.

15 (d) No ~~newly established~~ barber shop or mobile barber shop receiving an initial inspection shall be permitted to
16 operate ~~without first having obtained a sanitary rating card~~ with a grade of ~~not~~ less than 80 percent.

17 (e) Barber inspectors shall give each barber shop and mobile barber shop a new sanitary rating ~~card.~~ card upon initial
18 inspection.

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20 *History Note: Authority ~~G.S. 86A-5; 86A-15; G.S. 86B-2; 86B-31;~~*

21 *Eff. June 1, 2008;*

22 *Amended Eff. September 1, 2013;*

23 *Readopted Eff. October 1, 2016;*

24 *Amended Eff. April 1, 2022;*

25 *Temporary Amendment Eff. May 2, 2023;*

26 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024;*

27 *Amended Eff. March 1, 2025.*

1 21 NCAC 06L .0119 is proposed for amendment as follows:

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**21 NCAC 06L .0119 SYSTEMS OF GRADING BARBER SHOPS SHOPS, MOBILE BARBER SHOPS,
AND BARBER SCHOOLS**

The system of grading the sanitary rating of all barber ~~shops~~ shops, mobile barber shops, and schools shall be as follows, setting forth areas to be ~~inspected~~, inspected and the maximum points given for compliance. In cases where barber ~~shops~~ shops, mobile barber shops, or schools are exempt from specific rules cross-referenced below, the barber shop or school shall receive the maximum points for that listing:

- (1) whether the entrance and waiting area are sanitary 2;
- (2) whether ~~there is a water system~~ the business complies with the applicable requirements for hot and cold running ~~water and~~ water, plumbing or a septic system for removal of ~~sewage~~ sewage, and disposal of wastewater 2;
- (3) whether the walls and floors:
 - (a) comply with 21 NCAC 06F .0101(b)(8) for barber ~~schools or~~ schools, ~~21 NCAC 06L .0103(b)~~ Rule .0103(b) of this Subchapter for barber ~~shops~~ shops, or Rule .0202(4) of this Subchapter for mobile barber shops 9;
 - (b) are sanitary 7;
- (4) whether the barber ~~shop~~ shop, mobile barber shop, or school is well-lighted and well-ventilated, with sanitary windows, fixtures, and ventilation surfaces 3;
- (5) whether the ~~public~~ toilet toilets or lavatories:
 - (a) are sanitary and well-ventilated 5;
 - (b) have soap and ~~individual~~ disposable towels 5;
 - (c) have hot and cold running water 2;
- (6) whether each person working as a barber is sanitary in person and dress 1;
- (7) for towels and linens:
 - (a) whether there is a supply of sanitary towels 2;
 - (b) whether clean towels are stored separately as set forth in 21 NCAC 06F .0101(b)(12) for barber ~~schools~~ schools, or 21 NCAC 06L ~~.0103(e)~~ Rule .0103(e) of this Subchapter for barber ~~shops~~ shops, or Rule .0202 of this Subchapter for mobile barber shops 3;
 - (c) whether barbers have a sanitary hair cloth or cape for clients 1;
- (8) whether there is a soiled towel receptacle that meets the requirements set forth in ~~G.S. 86A-15(a)(2)(d)~~ G.S. 86B-31(a)(2)(d) 4;
- (9) for tools and instruments:
 - (a) whether disinfectants used by the barber shop or school are ~~selected from those approved by~~ registered with the federal Environmental Protection Agency as identified in Pesticide Registration List N: Disinfectants for Coronavirus (COVID-19), as set forth in Title 29 CFR 1910.509(b)(2) 4;

- 1 (b) whether disinfectants are used according to manufacturer instructions 4;
2 (c) whether all implements are cleaned and disinfected and, when not in use, stored in a tool
3 cabinet as set forth in 21 NCAC 06F .0101(b)(11) for barber ~~schools schools, or 21 NCAC~~
4 ~~06L .0103(a)~~ Rule .0103(a) of this Subchapter for barber ~~shops shops, or Rule .0202(1) of~~
5 this Subchapter 8;
6 (10) for working areas:
7 (a) whether the work stand is sanitary 3;
8 (b) whether sinks are sanitary 2;
9 (c) whether jars and containers are sanitary and disinfected 1;
10 (d) whether the work area is free from equipment that is unnecessary to provide barbering
11 services, and whether articles in the work area are sanitary 1;
12 (11) whether the ~~license, permit, license or certificate of registration~~ permit is current and posted as set
13 forth in ~~G.S. 86A-16~~ G.S. 86B-33 10;
14 (12) whether the sanitary rules and regulations are posted in a conspicuous place as set forth in ~~G.S. 86A-~~
15 ~~15(b)~~ G.S. 86B-31(b) 1;
16 (13) whether there are sterilizing containers and solutions that are used according to manufacturer
17 instructions 20.
18

19 *History Note: Authority ~~G.S. 86A-5(a)(1); 86A-15; 86A-16; G.S. 86B-2; 86B-31; 86B-33;~~*
20 *Eff. June 1, 2008;*
21 *Amended Eff. September 1, 2013;*
22 *Readopted Eff. October 1, 2016;*
23 *Amended Eff. April 1, 2018;*
24 *Temporary Amendment Eff. May 2, 2023;*
25 *Temporary Amendment Exp. Eff. February 9, ~~2024~~ 2024;*
26 *Amended Eff. March 1, 2025.*

1 21 NCAC 06L .0120 is proposed for amendment as follows:

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3 **21 NCAC 06L .0120 NOTIFICATION OF CHANGE OF ADDRESS**

4 The ~~owner or manager of a barber shop or mobile barber shop~~ ~~owner or manager~~ shall notify the Board of a change
5 in the barber shop's or mobile barber shop's mailing address or, if changed by the United States Postal Service, the
6 physical address, within five business days of the change.

7

8 *History Note: Authority ~~G.S. 86A-1~~; G.S. 86B-21;*

9 *Eff. September 1, 2009;*

10 *Readopted Eff. July 1, 2016;*

11 *Temporary Amendment Eff. May 2, 2023;*

12 *Temporary Amendment Exp. Eff. February 9, ~~2024~~ 2024;*

13 *March 1, 2025.*

1 21 NCAC 06L .0201 is proposed for adoption as follows:
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3 **SECTION .0200 – MOBILE BARBER SHOPS**
4

5 **21 NCAC 06L .0201 VEHICLES**

6 (a) Only the following vehicle types shall qualify as mobile barber shops:

7 (1) a motor home as defined in G.S. 20-4.01(27)(k); or

8 (2) a self-contained, self-supporting, enclosed mobile vehicle that is at least 16 feet in length and that
9 is not a towed unit or trailer.

10 (b) The vehicle shall have capacity for the barber to be able to maneuver around the barber chair and safely provide
11 barbering services.

12 (c) The vehicle shall have ventilation and air circulation through the use of fans or a heating, ventilation, and air
13 conditioning system.

14 (d) Mobile homes, motor homes, trailers, or any type of recreational vehicle approved before January 1, 2023, as
15 permanently affixed barber shops are not authorized to operate as mobile barber shops unless they meet the
16 requirements of this Section and 21 NCAC 06N .0116.

17 (e) Mobile barber shops shall display the name of the mobile barber shop and permit number on the outside of the
18 vehicle so that the name and permit number can be seen by the public from a distance of 50 yards.

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20 *History Note: Authority G.S. 86B-30;*

21 *Eff. March 1, 2024.*

1 21 NCAC 06L .0202 is proposed for adoption as follows:

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3 **21 NCAC 06L .0202 EQUIPMENT**

4 Mobile barber shops shall:

5 (1) have at least one cabinet for barbering equipment that is constructed of material that may be
6 sanitized;

7 (2) have safety catches for all storage cabinet doors and securely anchor to the mobile vehicle all
8 equipment not stored in cabinets;

9 (3) have at least one covered container made of noncorrosive metal or plastic, where all hair clippings,
10 refuse, and other waste materials shall be deposited;

11 (4) have smooth finished walls and floors;

12 (5) have at least one barber chair, with all barber chairs covered with a smooth, non-porous surface,
13 such as vinyl or leather, that is easily cleaned as required by G.S. 86B-31(a)(2)(c);

14 (6) maintain a supply of clean towels sufficient to provide barbering services;

15 (7) have a cabinet, or other method of storage, such that clean towels are stored separate from used
16 towels; and

17 (8) ensure that all equipment and tools used in the practice of barbering as set forth in G.S. 86B-22 are
18 maintained in sanitary and good operating condition as required by G.S. 86B-31(a)(2).

19

20 *History Note: Authority G.S. 86B-30;*

21 *Eff. March 1, 2024.*

1 21 NCAC 06L .0203 is proposed for adoption as follows:

2

3 **21 NCAC 06L .0203 TOILETS, SINKS, SEWAGE, AND WASTEWATER**

4 Mobile barber shops shall:

5 (1) be equipped with at least one functional sink with potable, running hot and cold water, with the sink
6 available for use by both mobile barber shop personnel and clients;

7 (2) have hot water tanks with a minimum capacity of six gallons;

8 (3) provide soap and disposable towels for all sinks;

9 (4) be equipped with at least one self-contained, recirculating, flush chemical toilet with a holding tank,
10 with the toilet available for use by both mobile barber shop personnel and clients;

11 (5) comply with all applicable federal, state, and local commercial, transportation, and environmental
12 statutes and rules related to the disposal of sewage and wastewater; and

13 (6) immediately cease operation when:

14 (a) wastewater storage capacity has been reached;

15 (b) the toilets do not function;

16 (c) the sinks do not have potable, running hot and cold water;

17 (d) there is no longer an adequate supply of clean water to complete barbering services; or

18 (e) there is no longer adequate wastewater capacity to complete barbering services.

19

20 *History Note: Authority G.S. 86B-30;*

21 *Eff. March 1, 2025.*

1 21 NCAC 06L .0204 is proposed for adoption as follows:

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3 **21 NCAC 06L .0204 PERSONNEL**

4 Each mobile barber shop shall designate a licensed barber responsible for the following:

5 (1) the sanitary condition, as defined in 21 NCAC 06P .0103(10), of the mobile barber shop;

6 (2) verifying that only licensed barbers provide barbering services in the mobile barber shop; and

7 (3) conducting a verification based on government-issued identification that any licensee employed in
8 the mobile barber shop is the person whose name appears on the license before allowing the licensee
9 to perform barbering services in the mobile barber shop.

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11 *History Note: Authority G.S. 86B-30;*

12 *Eff. March 1, 2025.*

1 21 NCAC 06L .0205 is proposed for adoption as follows:

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3 **21 NCAC 06L .0205 MONTHLY REPORTS OF LOCATIONS**

4 (a) Mobile barber shops shall submit a report at the website address in 21 NCAC 06A .0102(c) by the last day of each
5 month showing where they will provide services for the upcoming month. This report shall include the following for
6 each day of the month:

7 (1) the address where the mobile barber shop will operate; and

8 (2) the hours when the mobile barber shop will operate at each location.

9 (b) If a mobile barber shop wishes to operate at a new or different location than what was listed in the report required
10 by Paragraph (a)(1) of this Rule, it must submit a revised report at the website address in 21 NCAC 06A .0102(c):

11 (1) at least one business day before a location change if the new location is more than 20 miles away
12 from the originally reported location;

13 (2) at least one business day in advance for a new location and time that was not on the original report;
14 or

15 (3) at least four hours before the start time reported in Paragraph (a)(2) of this Rule if the new location
16 is fewer than 20 miles away from the originally reported location.

17 (c) Mobile barber shops may operate up to half a mile away from the location reported in this Rule without having to
18 submit a revised report.

19 (d) Mobile barber shops are prohibited from operating at a location except as listed in the report required by this Rule.

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21 History Note: Authority G.S. 86B-30;

22 Eff. March 1, 2025.

1 21 NCAC 06N .0101 is proposed for amendment as follows:

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21 NCAC 06N .0101 FEES, ACCESS TO FORMS, AND RENEWALS

(a) The Board charges the following amounts for the fees authorized by ~~G.S. 86A-25~~; G.S. 86B-41:

- (1) Certificate of registration or renewal as a licensed barber \$50.00
- (2) Certificate of registration or renewal as ~~an~~ a licensed apprentice ~~barber~~ \$50.00
- (3) ~~Barbershop~~ Barber shop permit or renewal \$50.00
- (4) Mobile barber shop permit or renewal \$50.00
- ~~(4)~~(5) Examination to become a ~~registered~~ licensed barber \$85.00
- ~~(5)~~(6) Examination to become a ~~registered~~ licensed apprentice ~~barber~~ \$85.00
- ~~(6)~~(7) Late fee for restoration of an expired barber ~~certificate~~ license within first year after expiration \$35.00
- ~~(7)~~(8) Late fee for restoration of an expired barber ~~certificate~~ license after first year after expiration but within five years after expiration \$70.00
- ~~(8)~~(9) Late fee for restoration of an expired apprentice ~~certificate~~ license within the first year after expiration \$35.00
- ~~(9)~~(10) Late fee for restoration of an expired apprentice ~~certificate~~ license after first year after expiration but within three years of first issuance of the ~~certificate~~ license \$45.00
- ~~(10)~~(11) Late fee for restoration of an expired barber shop ~~certificate~~ permit \$45.00
- (12) Late fee for restoration of an expired mobile barber shop permit \$45.00
- ~~(11)~~(13) Examination to become a barber school instructor \$165.00
- ~~(12)~~(14) ~~Student~~ Barber student permit \$25.00
- ~~(13)~~(15) Issuance of any duplicate copy of a ~~license, certificate, license~~ license or permit \$10.00
- ~~(14)~~(16) Barber school permit or renewal \$130.00
- ~~(15)~~(17) Late fee for restoration of an expired barber school ~~certificate~~ permit \$85.00
- ~~(16)~~(18) Barber school instructor ~~certificate~~ license or renewal \$85.00
- ~~(17)~~(19) Late fee for restoration of an expired barber school instructor ~~certificate~~ license within first year after expiration \$45.00
- ~~(18)~~(20) Late fee for restoration of an expired barber school instructor ~~certificate~~ license after first year after expiration but within three years after expiration \$85.00
- ~~(19)~~(21) Inspection of newly established ~~barbershop~~ barber shop \$120.00
- (22) Inspection of newly established mobile barber shop \$120.00
- ~~(20)~~(23) Inspection of newly established barber school \$220.00
- ~~(21)~~(24) Issuance of a ~~registered~~ barber or apprentice ~~certificate~~ license by ~~certification~~ reciprocity \$120.00
- ~~(22)~~(25) Charge for certified copies of public documents \$10.00 for first page, \$0.25 per page thereafter

1 ~~(23)~~(26) Charge for duplication services and material shall be as set forth in 26 NCAC 01 .0103(a), including
2 any subsequent amendments and editions of the Rule

3 ~~(24)~~ Certificate of registration or renewal as a barber for barbers over 70 years of age \$0.00

4 ~~(25)~~ Administrative fee under G.S. 86A 27(d) for paying any required fee for renewal or restoration, or
5 a civil penalty and attorney fee, where the apprentice barber or registered barber is subject to a pick-
6 up order issued to an inspector. \$70.00

7 (b) Except as set forth in Paragraph (c) of this Rule, if an applicant is unable to attend an examination, he or she may
8 request a refund of the fee. To request the refund, the applicant shall submit a written request to the address listed in
9 21 NCAC 06A .0102 at least 10 days before the scheduled examination.

10 (c) If an applicant submits a request for a refund of examination fees later than 10 days before the scheduled
11 examination, the Board shall consider the request on a case-by-case basis and only grant the request if the applicant
12 demonstrates good cause for not complying with Paragraph (b) of this Rule. For the purpose of this Rule, "good cause"
13 means that the applicant could not have submitted the written request as set forth in Paragraph (b) of this Rule due to
14 circumstances such as illness, injury, or death in the family.

15 (d) In the event the Board's authority to expend funds is suspended pursuant to G.S. 93B-2, the Board shall continue
16 to issue and renew licenses and all fees tendered shall be placed in the escrow account maintained by the Board for
17 this purpose.

18 (e) The forms set forth in this Subchapter may be obtained on the website or at the address listed in 21 NCAC 06A
19 .0102.

20 (f) All timely renewals of ~~licenses, permits, licenses or certificates of registration~~ permits shall be submitted online
21 at the Board's ~~website, website listed in 21 NCAC 06A .0102,~~ along with any fees required by this Rule.

22 (g) Barber school permits shall be exempt from the online renewal requirement in Paragraph (f) of this Rule.

23 (h) ~~Registered Licensed~~ barbers, apprentice barbers, licensed apprentices, barber instructors, ~~or barber shops shops,~~
24 or mobile barber shops that are unable to comply with the online requirement of Paragraph (f) of this Rule may submit
25 the renewal and payment by mail or in person after receiving a waiver from the Board. This waiver shall be effective
26 only for one renewal period. The Board shall issue a waiver within five business days after receiving the following:

27 (1) For ~~registered licensed~~ barbers, apprentice barbers, or barber instructors, a statement from the holder
28 of the ~~license, permit, license or certificate of registration~~ permit that the individual is not able to
29 renew online; or

30 (2) For barber ~~shops, shops or mobile barber shops~~ a statement from the manager or owner that neither
31 the manager nor owner are able to renew online.

32
33 *History Note:* Authority G.S. ~~86A 5; 86A 25; 86A 27(d);~~ 86B-2; 86B-10; 86B-41; 93B-2;

34 *Eff. February 1, 1976;*

35 *Readopted Eff. February 8, 1978;*

36 *Amended Eff. April 1, 2010; September 1, 2009; June 1, 2008; April 1, 2005; May 1, 1989; March*
37 *1, 1983;*

- 1 *Readopted Eff. July 1, 2016;*
- 2 *Amended Eff. April 1, 2022; February 1, 2019; January 1, 2018; April 1, 2017;*
- 3 *Temporary Amendment Eff. May 2, 2023;*
- 4 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024;*
- 5 *Amended Eff. March 1, 2025.*

1 21 NCAC 06N .0104 is proposed for amendment as follows:

2

3 **21 NCAC 06N .0104 FORM BAR-3**

4 (a) The Form BAR-3 shall be filed for permission to enroll in barber school. It requires the following:

5 (1) the name, address, social security number, and birth date of the applicant;

6 (2) the applicant's prior barber school attendance, if any;

7 (3) the name of the school enrolled; and

8 (4) the date of ~~enrollment~~; and enrollment.

9 ~~(5) the school manager's attestation that the information in the form is correct.~~

10 (b) The fee in ~~21 NCAC 06N .0101(a)(12)~~ Rule .0101(a)(14) of this Section shall accompany this form.

11

12 *History Note: Authority G.S. ~~86A-18; 86A-22; 86A-25; 86B-35; 86B-38; 86B-41; 93B-14;~~*

13 *Eff. February 1, 1976;*

14 *Readopted Eff. February 8, 1978;*

15 *Amended Eff. March 1, 1983;*

16 *Legislative Objection Lodged Eff. March 7, 1983;*

17 *Curative Amended Eff. April 6, 1983;*

18 *Amended Eff. September 1, 2013;*

19 *May 1, 1989;*

20 *Readopted Eff. October 1, 2016;*

21 *Amended Eff. October 1, 2020;*

22 *Temporary Amendment Eff. May 10, 2023;*

23 *Temporary Amendment Exp. Eff. February 26, ~~2024~~, 2024;*

24 *Amended Eff. March 1, 2025.*

1 21 NCAC 06N .0105 is proposed for amendment as follows:

2

3 **21 NCAC 06N .0105 FORM BAR-4**

4 (a) The Form BAR-4 shall be filed by one applying to take the examination to receive a ~~registered~~ an apprentice
5 ~~certificate. license.~~ It requires the following:

6 (1) the name, address, social security number, and ~~birthdate~~ birth date of the applicant; and

7 (2) the name of any barber school attended and the date of enrollment and ~~graduation; and graduation.~~

8 ~~(3) the place of proposed employment as an apprentice barber.~~

9 (b) The fee in ~~Rule .0101(a)(5)~~ Rule .0101(a)(6) of this Section shall be submitted with the application.

10 (c) The Form BAR-4 shall include the applicant's attestation that the information in the form is correct.

11

12 *History Note: Authority G.S. ~~86A-1; 86A-10; 86A-24; 86A-25; 86B-21; 86B-26; 86B-40; 86B-41; 93B-14;~~*

13 *Eff. February 1, 1976;*

14 *Readopted Eff. February 8, 1978;*

15 *Amended Eff. March 1, 1983;*

16 *Legislative Objection Lodged Eff. March 7, 1983;*

17 *Curative Amended Eff. April 6, 1983;*

18 *Amended Eff. September 1, 2013; May 1, 1989;*

19 *Readopted Eff. July 1, 2016;*

20 *Amended Eff. October 1, 2020; January 1, 2017;*

21 *Temporary Amendment Eff. May 2, 2023;*

22 *Temporary Amendment Exp. Eff. February 9, ~~2024~~ 2024;*

23 *Amended Eff. March 1, 2025.*

1 21 NCAC 06N .0106 is proposed for amendment as follows:

2

3 **21 NCAC 06N .0106 FORM BAR-5**

4 (a) The Form BAR-5 shall be filed by one applying to take the examination to receive a ~~registered barber certificate~~.
5 license. It requires the following:

6 (1) the name, address, social security number, and ~~birthdate~~ birth date of the applicant;

7 (2) ~~the barber school training; attended and the date of graduation;~~ and

8 (3) ~~the length affidavit of barbering experience.~~ experience as an apprentice barber required by G.S.
9 86B-23(4).

10 (b) The Form BAR-5 shall include the applicant's attestation that the information in the form is correct.

11 (c) The fee in ~~21 NCAC 06N .0101(a)(4)~~ Rule .0101(a)(5) of this Section shall accompany this form.

12

13 *History Note: Authority G.S. ~~86A-1; 86A-3; 86A-10; 86A-25; 86B-21; 86B-23; 86B-26; 86B-41; 93B-14;~~*

14 *Eff. February 1, 1976;*

15 *Readopted Eff. February 8, 1978;*

16 *Amended Eff. March 1, 1983;*

17 *Legislative Objection Lodged Eff. March 7, 1983;*

18 *Curative Amended Eff. April 6, 1983;*

19 *Amended Eff. September 1, 2013; May 1, 1989;*

20 *Readopted Eff. October 1, 2016;*

21 *Amended Eff. October 1, 2020;*

22 *Temporary Amendment Eff. May 2, 2023;*

23 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024;*

24 *Amended Eff. March 1, 2025.*

1 21 NCAC 06N .0107 is proposed for amendment as follows:

2

3 **21 NCAC 06N .0107 FORM BAR-6**

4 (a) The Form BAR-6 shall be filed by one applying to take ~~an~~ the examination ~~as a barber school instructor. to receive~~
5 an instructor license. It requires the following:

6 (1) the name, address, social security number, and ~~birthdate~~ birth date of the applicant;

7 (2) the current ~~registered certificate~~ barber license number; and

8 (3) the name of the barber school ~~attended; and~~ attended.

9 (4) ~~the proposed place of employment, if any.~~

10 (b) The fee in ~~Rule .0101(a)(11)~~ Rule .0101(a)(13) of this Section shall accompany this form.

11 (c) The Form BAR-6 shall include the applicant's attestation that the information in the form is correct.

12

13 *History Note: Authority G.S. ~~86A-23; 86A-25; 86B-39; 86B-41; 93B-14;~~*

14 *Eff. February 1, 1976;*

15 *Readopted Eff. February 8, 1978;*

16 *Amended Eff. March 1, 1983;*

17 *Legislative Objection Lodged Eff. March 7, 1983;*

18 *Curative Amended Eff. April 6, 1983;*

19 *Amended Eff. May 1, 1989;*

20 *Readopted Eff. July 1, 2016;*

21 *Amended Eff. October 1, 2020;*

22 *Temporary Amendment Eff. May 2, 2023;*

23 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024;*

24 *Amended Eff. March 1, 2025.*

1 21 NCAC 06N .0109 is proposed for amendment as follows:

2

3 **21 NCAC 06N .0109 FORM BAR-8**

4 (a) The Form BAR-8 shall be filed by one who has practiced as a licensed barber in a state other than North Carolina
5 for ~~three years or more~~ at least one year within the five years immediately preceding application and is applying to
6 ~~obtain a certificate as~~ be a registered licensed barber in North Carolina. It requires the following:

- 7 (1) the name, address, social security number, and ~~birthdate~~ birth date of the applicant;
- 8 (2) whether the applicant attended barber school and the name and address of any barber school attended
9 in another state; and
- 10 (3) barbering experience and the status of each barber license in another state.

11 (b) The fee in ~~Rule .0101(a)(21)~~ Rule .0101(a)(24) of this Section shall accompany this form.

12 (c) The Form BAR-8 shall include the applicant's attestation that the information in the form is correct.

13 (d) The Form BAR-8 shall be accompanied by verification from the applicant's out-of-state agency of the applicant's
14 licensure in that state. This verification shall include:

- 15 (1) The applicant's length of licensure;
- 16 (2) Whether the applicant held the license continuously or had any breaks in licensure;
- 17 (3) If there were any breaks in licensure, the reason for those interruptions; and
- 18 (4) Whether there were any disciplinary actions or are any open complaints against the license.

19

20 *History Note: Authority G.S. ~~86A-1; 86A-12; 86A-25; 86B-21; 86B-28; 86B-41;~~*

21 *Eff. March 1, 1983;*

22 *Legislative Objection Lodged Eff. March 7, 1983;*

23 *Curative Eff. April 6, 1983;*

24 *Amended Eff. September 1, 2013; May 1, 1989;*

25 *Readopted Eff. July 1, 2016;*

26 *Amended Eff. October 1, 2020; January 1, 2017;*

27 *Temporary Amendment Eff. May 2, 2023;*

28 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024;*

29 *Amended Eff. March 1, 2025.*

1 21 NCAC 06N .0110 is proposed for amendment as follows:

2

3 **21 NCAC 06N .0110 FORM BAR-9**

4 (a) The Form BAR-9 shall be filed when one applies to open a new barber school. It requires the following:

5 (1) the date the barber school will be ready for the Board inspection;

6 (2) the name and address of the barber school;

7 (3) the name and address of the owner;

8 (4) the name and address of the manager;

9 (5) the names, instructor ~~certificate~~ license numbers, and ~~address~~ addresses of the instructors;

10 (6) the physical dimensions of the barber school;

11 (7) the number of barber chairs, tool cabinets, towel cabinets, and lavatories; and

12 (8) a copy of the bond or alternative to a bond required by ~~G.S. 86A-22(7)(a)~~ G.S. 86B-38(7)(a) or a
13 request for waiver under ~~G.S. 86A-22(7)(e)~~ G.S. 86B-38(7)(c).

14 (b) The Form BAR-9 shall include the applicant's attestation that the information in the form is correct.

15 (c) The Form BAR-9 shall be accompanied by the fee in ~~21 NCAC 06N .0101(a)(20)~~ Rule .0101(a)(23) of this
16 Section.

17

18 *History Note: Authority G.S. ~~86A-1; 86A-22; 86B-21; 86B-38;~~*

19 *Eff. March 1, 1983;*

20 *Amended Eff. May 1, 1989;*

21 *Readopted Eff. August 1, 2016;*

22 *Amended Eff. October 1, 2020;*

23 *Temporary Amendment Eff. May 2, 2023;*

24 *Temporary Amendment Exp. Eff. February 9, ~~2024~~ 2024;*

25 *Amended Eff. March 1, 2025.*

1 21 NCAC 06N .0112 is proposed for amendment as follows:

2

3 **21 NCAC 06N .0112 FORM BAR-11**

4 (a) The Form BAR-11 shall be filed by an individual who has military training and expertise and who wants to apply
5 to become a ~~registered~~ licensed barber pursuant to 21 NCAC 06K .0112. It requires the following:

6 (1) the name, address, social security number, and ~~birthdate~~ birth date of the applicant; and

7 (2) copies of the military service records showing the applicant's military certification and experience
8 in barbering.

9 (b) The applicant shall submit with the Form BAR-11 a certification letter from the applicant's out-of-state agency of
10 the applicant's licensure if the conditions set forth in 21 NCAC 06K .0112(b) apply.

11 (c) The Form BAR-11 shall include the applicant's attestation that the information in the form is correct.

12

13 *History Note: Authority G.S. ~~86A-1; 86A-12; 86B-21; 86B-28; 93B-14; 93B-15.1;~~*

14 *Eff. May 1, 1989;*

15 *Amended Eff. September 1, 2013;*

16 *Readopted Eff. July 1, 2016;*

17 *Amended Eff. October 1, 2020; April 1, 2017;*

18 *Temporary Amendment Eff. May 2, 2023;*

19 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024.*

20 *Eff. March 1, 2025.*

1 21 NCAC 06N .0114 is proposed for amendment as follows:

2
3 **21 NCAC 06N .0114 EXTENSIONS FOR MEMBERS OF THE ARMED FORCES**

4 (a) If an individual is licensed or owns a business licensed under ~~G.S. 86A~~, G.S. 86B, is serving in the Armed Forces
5 of the United States, and has received an extension of time to file a tax return under G.S. 105-249.2, the Board shall
6 waive the following fees for the same period that would apply if the license fee were a tax:

- 7 (1) the late fee for restoration of an expired barber ~~certificate~~ license within the first year after expiration
8 as set forth in ~~21 NCAC 06N .0101(a)(6)~~; Rule .0101(a)(7) of this Section;
- 9 (2) the late fee for restoration of an expired barber ~~certificate~~ license after the first year after expiration
10 but within five years after expiration as set forth in ~~21 NCAC 06N .0101(a)(7)~~; Rule .0101(a)(8) of
11 this Section;
- 12 (3) the late fee for restoration of an expired apprentice ~~certificate~~ license within the first year after
13 expiration as set forth in ~~21 NCAC 06N .0101(a)(8)~~; Rule .0101(a)(9) of this Section;
- 14 (4) the late fee for restoration of an expired apprentice ~~certificate~~ license after the first year after
15 expiration but within three years of first issuance of the ~~certificate~~ license as set forth in ~~21 NCAC~~
16 ~~06N .0101(a)(9)~~; Rule .0101(a)(10) of this Section;
- 17 (5) if the individual serving in the Armed Forces is the barbershop or owner, the late fee for restoration
18 of an expired barber shop ~~certificate~~ permit as set forth in ~~21 NCAC 06N .0101(a)(10)~~; Rule
19 .0101(a)(11) of this Section;
- 20 (6) if the individual serving in the Armed Forces is the owner or licensed barber designated as set forth
21 in ~~21 NCAC 06L .0204~~, the late fee for restoration of an expired mobile barber shop permit as set
22 forth in Rule .0101(a)(12) of this Section;
- 23 ~~(6)(7)~~ if the individual serving in the Armed Forces is the barber school manager or owner, the late fee for
24 restoration of an expired barber school ~~certificate~~ permit as set forth in ~~21 NCAC 06N .0101(a)(15)~~;
25 Rule .0101(a)(17) of this Section;
- 26 ~~(7)(8)~~ the late fee for restoration of an expired ~~barber school~~ instructor ~~certificate~~ license within the first
27 year after expiration as set forth in ~~21 NCAC 06N .0101(a)(17)~~; Rule .0101(a)(19) of this Section;
- 28 and
- 29 ~~(8)(9)~~ the late fee for restoration of an expired ~~barber school~~ instructor ~~certificate~~ license after the first year
30 after expiration but within three years after expiration as set forth in ~~21 NCAC 06N .0101(a)(18)~~.
31 Rule .0101(a)(20) of this Section;

32 (b) To receive any extension as set forth in Paragraph (a) of this Rule, the individual shall submit the following to the
33 Board at the address in 21 NCAC 06A .0102:

- 34 (1) a written request that states what extension he or she is seeking; and
- 35 (2) a copy of the documentation from the North Carolina Department of Revenue granting the extension
36 under G.S. 105-249.2.

1 *History Note: Authority G.S. 93B-15(a);*
2 *Eff. April 1, 2017;*
3 *Temporary Amendment Eff. May 2, 2023;*
4 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024.*
5 *Amended Eff. March 1, 2025.*

1 21 NCAC 06N .0116 is proposed for adoption as follows:

2

3 **21 NCAC 06N .0116 FORM BAR-13**

4 (a) The Form BAR-13 shall be filed when one applies to open a new mobile barber shop. It requires the following:

5 (1) the name of the shop;

6 (2) the permanent business address required by G.S. 86B-30(g);

7 (3) the name, address, and license number of the licensed barber designated as set forth in 21 NCAC
8 06L .0204;

9 (4) the name and address of the mobile barber shop owner;

10 (5) if available, the email address, website, or social media handle of the mobile barber shop;

11 (6) the physical dimensions of the mobile barber shop;

12 (7) the vehicle identification number, license plate number, and vehicle make and model of the mobile
13 barber shop;

14 (8) the mobile barber shop business hours;

15 (9) an explanation of how the mobile barber shop will dispose of sewage and wastewater;

16 (10) the type of fixtures installed; and

17 (11) the date the mobile barber shop will be ready for inspection.

18 (b) The fee required by Rule .0101(a)(22) of this Section shall accompany this form.

19 (c) The Form BAR-13 shall include the applicant's attestation that the information in the form is correct.

20

21 History Note: Authority G.S. 86B-30;

22 Eff. March 1, 2024.

1 21 NCAC 06N .0118 is proposed for adoption as follows:

2

3 **21 NCAC 06N .0118 FORM BAR-13**

4 (a) The Form BAR-13 shall be filed when a mobile barber shop changes the licensed barber designated as set forth
5 in 21 NCAC 06L .0204. The form requires the following:

6 (1) the name, mailing address, and permit number of the mobile barber shop before the change of
7 management;

8 (2) the name of the mobile barber shop after the change of management, if the business name changes;

9 (3) the name, address, and license number of the new licensed barber designated as set forth in 21
10 NCAC 06L .0204;

11 (4) if the mobile barber shop was closed at the time the Form BAR-13 was submitted, the date of
12 closure; and

13 (5) the name and license number of the licensed barber who formerly was designated as set forth in 21
14 NCAC 06L .0204.

15 (b) The Form BAR-13 shall be notarized.

16

17 History Note: Authority G.S. 86B-21; 86B-41;

18 Eff. March 1, 2025.

1 21 NCAC 06O .0102 is proposed for amendment as follows:

2

3 **21 NCAC 06O .0102 LICENSING OF BARBER SHOPS**

4 (a) The presumptive civil penalty for operating a barber shop without first filing an application for a barber shop
5 ~~license, permit,~~ obtaining an inspection, and obtaining a barber shop permit: ~~permit,~~ in violation of G.S. 86B-21:

6 (1) 1st offense \$200.00

7 (2) 2nd offense \$300.00

8 (3) 3rd offense \$500.00

9 (b) The presumptive civil penalty for operating a barber shop with an expired ~~permit:~~ permit, in violation of G.S.
10 86B-29(b):

11 (1) 1st offense \$150.00

12 (2) 2nd offense \$300.00

13 (3) 3rd offense \$500.00

14

15 *History Note:* Authority G.S. ~~86A-1;~~ ~~86A-5(a)(6);~~ ~~86A-27;~~ 86B-10; 86B-21; 86B-29;

16 Eff. April 1, 2005;

17 Readopted Eff. July 1, 2016;

18 Temporary Amendment Eff. May 2, 2023;

19 Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024;

20 Amended Eff. March 1, 2025.

1 21 NCAC 06O .0104 is proposed for amendment as follows:

2

3 **21 NCAC 06O .0104 UNSUPERVISED APPRENTICE**

4 (a) The presumptive civil penalty for a ~~registered licensed~~ barber allowing an apprentice or ~~barber~~ student ~~barber~~ with
5 a temporary permit to engage in barbering without the supervision as required by G.S. 86A-24(b); G.S. 86B-40(b);

6 (1) 1st offense \$300.00

7 (2) 2nd offense \$400.00

8 (b) The presumptive civil penalty for an apprentice or ~~barber~~ student ~~barber~~ with a temporary permit engaging in
9 barbering without the supervision as required by G.S. 86A-24(b); G.S. 86B-40(b);

10 (1) 1st offense \$200.00

11 (2) 2nd offense \$300.00

12 (3) 3rd offense \$500.00

13

14 *History Note: Authority G.S. 86A-5(a)(6); 86A-24; 86A-27; 86B-40; 86B-10;*

15 *Eff. April 1, 2005;*

16 *Amended Eff. September 1, 2009;*

17 *Readopted Eff. July 1, 2016;*

18 *Temporary Amendment Eff. May 2, 2023;*

19 *Temporary Amendment Exp. Eff. February 9, ~~2024~~ 2024;*

20 *Amended Eff. March 1, 2025.*

1 21 NCAC 06O .0105 is proposed for amendment as follows:

2

3 **21 NCAC 06O .0105 UNLICENSED BARBER OR APPRENTICE**

4 (a) The presumptive civil penalty for a barber shop or mobile barber shop manager allowing a barber or apprentice to
5 practice without a ~~license~~: license, in violation of G.S. 86B-21:

6 (1) 1st offense \$300.00

7 (2) 2nd offense \$500.00

8 (b) The presumptive civil penalty for an individual engaging in barbering without a ~~license~~: license, in violation of
9 G.S. 86B-21:

10 (1) 1st offense \$250.00

11 (2) 2nd offense \$450.00

12 (3) 3rd offense \$500.00

13

14 *History Note: Authority G.S. ~~86A-1; 86A-5(a)(6); 86A-27~~; 86B-10; 86B-21;*

15 *Eff. April 1, 2005;*

16 *Readopted Eff. July 1, 2016;*

17 *Temporary Amendment Eff. May 10, 2023;*

18 *Temporary Amendment Exp. Eff. February 26, ~~2024~~, 2024;*

19 *Amended Eff. March 1, 2025.*

1 21 NCAC 06O .0106 is proposed for amendment as follows:

2

3 **21 NCAC 06O .0106 DISPLAY OF CURRENT LICENSE**

4 (a) The presumptive civil penalty for the failure of a barber ~~shop~~ shop, mobile barber shop, or barber school to display
5 a current barber shop or mobile barber shop or school license; ~~license;~~ in violation of G.S. 86B-33:

6 (1) 1st offense \$100.00

7 (2) 2nd offense \$150.00

8 (3) 3rd offense \$250.00

9 (b) The presumptive civil penalty for a barber ~~shop~~ shop, mobile barber shop, or barber school ~~to allow~~ allowing an
10 individual to perform barbering without displaying a current license or ~~permit;~~ permit, in violation of G.S. 86B-33:

11 (1) 1st offense \$100.00

12 (2) 2nd offense \$150.00

13 (3) 3rd offense \$250.00

14 (c) The presumptive civil penalty for an individual ~~to practice~~ practicing barbering without displaying a current license
15 or ~~permit;~~ permit, in violation of G.S. 86B-33:

16 (1) 1st offense \$100.00

17 (2) 2nd offense \$150.00

18 (3) 3rd offense \$250.00

19

20 *History Note: Authority G.S. ~~86A-1; 86A-5(a)(6); 86A-16; 86A-27; 86B-10; 86B-21; 86B-33;~~*

21 *Eff. April 1, 2005;*

22 *Readopted Eff. July 1, 2016;*

23 *Temporary Amendment Eff. May 2, 2023;*

24 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024.*

25 *Amended Eff. March 1, 2025.*

1 21 NCAC 06O .0108 is proposed for amendment as follows:

2
3 **21 NCAC 06O .0108 INSPECTIONS OF ~~SHOPS~~ BARBER SHOPS, MOBILE BARBER SHOPS, AND**
4 **SCHOOLS**

5 The presumptive civil penalty for refusing to permit or preventing the inspection of a barber ~~shop~~ shop, mobile barber
6 shop, or barber ~~school~~ school, in violation of G.S. 86B-31(b):

- | | | | |
|---|-----|-------------|----------|
| 7 | (1) | 1st offense | \$150.00 |
| 8 | (2) | 2nd offense | \$300.00 |
| 9 | (3) | 3rd offense | \$500.00 |

10

11 *History Note:* Authority G.S. ~~86A-1; 86A-5(a)(6); 86A-15(b); 86A-27; 86B-10; 86B-21; 86B-31;~~

12 Eff. April 1, 2005;

13 Readopted Eff. July 1, 2016;

14 Temporary Amendment Eff. May 2, 2023;

15 Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024;

16 Amended Eff. March 1, 2025.

1 21 NCAC 06O .0109 is proposed for amendment as follows:

2

3 **21 NCAC 06O .0109 EXPIRED LICENSE**

4 (a) The presumptive civil penalty for engaging in the practice of barbering with a ~~registered barber certificate~~ license
5 that has expired for more than a six month ~~duration:~~ duration, in violation of G.S. 86B-34:

6 (1) 1st offense \$100.00

7 (2) 2nd offense \$150.00

8 (3) 3rd offense \$200.00

9 (b) The presumptive civil penalty for a barber shop manager allowing an individual to engage in the practice of
10 barbering with a ~~registered barber certificate~~ license that has expired for more than a six month ~~duration:~~ duration, in
11 violation of G.S. 86B-34:

12 (1) 1st offense \$100.00

13 (2) 2nd offense \$150.00

14 (3) 3rd offense \$200.00

15

16 *History Note:* ~~Authority G.S. 86A-1; 86A-5(a)(6); 86A-17(b); 86A-27; 86B-10; 86B-21; 86B-34;~~

17 ~~Eff. April 1, 2005;~~

18 ~~Readopted Eff. July 1, 2016;~~

19 ~~Temporary Amendment Eff. May 2, 2023;~~

20 ~~Temporary Amendment Exp. Eff. February 9, 2024. 2024;~~

21 Amended Eff. March 1, 2025.

1 21 NCAC 06O .0110 is proposed for amendment as follows:

2

3 **21 NCAC 06O .0110 ADEQUATE PREMISES**

4 (a) The presumptive civil penalty for a school ~~to fail~~ failing to maintain facilities as required by ~~G.S. 86A-15~~ G.S.
5 86B-31 and 21 NCAC 06F .0101, after two written warnings:

6 (1) 1st offense \$250.00

7 (2) 2nd offense \$400.00

8 (3) 3rd offense \$500.00

9 (b) The presumptive civil penalty for a barber shop ~~to fail~~ failing to maintain facilities as required by ~~G.S. 86A-15~~
10 G.S. 86B-31 and the applicable rules in 21 NCAC 06L .0102 through .0109, after two written warnings:

11 (1) 1st offense \$250.00

12 (2) 2nd offense \$450.00

13 (3) 3rd offense \$500.00

14

15 *History Note: Authority G.S. ~~86A-5(a)(6); 86A-15; 86A-18(6); 86A-18(7); 86A-22(6); 86A-27; 86B-10; 86B-31;~~*
16 *86B-35; 86B-38;*

17 *Eff. April 1, 2005;*

18 *Readopted Eff. July 1, 2016;*

19 *Temporary Amendment Eff. May 2, 2023;*

20 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024;*

21 *Amended Eff. March 1, 2025.*

1 21 NCAC 06O .0112 is proposed for amendment as follows:

2

3 **21 NCAC 06O .0112 IDENTIFICATION**

4 (a) The presumptive civil penalty for a barber shop or mobile barber shop ~~owner or manager~~ failing to positively
5 identify a ~~registered~~ licensed barber, apprentice, or holder of a temporary ~~permit~~; permit, as set forth in 21 NCAC 06L
6 .0116(a):

7 (1) 1st offense \$100.00

8 (2) 2nd offense \$150.00

9 (3) 3rd offense \$250.00

10 (b) The presumptive civil penalty for a ~~registered~~ licensed barber, apprentice, or holder of a temporary permit failing
11 to maintain and produce a license or permit as defined in 21 NCAC 06P .0103(7):

12 (1) 1st offense \$100.00

13 (2) 2nd offense \$150.00

14 (3) 3rd offense \$250.00

15 (c) The presumptive civil penalty for a barber student failing to wear identification as set forth in 21 NCAC 06F
16 .0122:

17 (1) 1st offense \$100.00

18 (2) 2nd offense \$150.00

19 (3) 3rd offense \$250.00

20

21 *History Note: Authority G.S. ~~86A-1; 86A-10; 86A-11; 86A-27; 86B-10; 86B-21; 86B-26; 86B-27;~~*

22 *Eff. June 1, 2008;*

23 *Amended Eff. September 1, 2009;*

24 *Readopted Eff. July 1, 2016;*

25 *Temporary Amendment Eff. May 10, 2023;*

26 *Temporary Amendment Exp. Eff. February 26, ~~2024~~, 2024;*

27 *Amended Eff. March 1, 2025.*

1 21 NCAC 06O .0113 is proposed for amendment as follows:

2

3 **21 NCAC 06O .0113 BARBER SHOPS IN RESIDENCES ~~AND MOBILE HOMES~~**

4 ~~(a)~~ The presumptive civil penalty for operating a barber shop in a residence in violation of 21 NCAC 06L .0106(c):

5 (1) 1st offense \$150.00

6 (2) 2nd offense \$250.00

7 (3) 3rd offense \$500.00

8 ~~(b)~~ The presumptive civil penalty for operating a barber shop in a mobile home in violation of 21 NCAC 06L .0106(c):

9 ~~(1)~~ 1st offense ~~\$200.00~~

10 ~~(2)~~ 2nd offense ~~\$300.00~~

11 ~~(3)~~ 3rd offense ~~\$500.00~~

12

13 *History Note: Authority G.S. ~~86A-15; 86A-27; 86B-10; 86B-31;~~*

14 *Eff. June 1, 2008;*

15 *Readopted Eff. July 1, 2016;*

16 *Temporary Amendment Eff. May 2, 2023;*

17 *Temporary Amendment Exp. Eff. February 9, ~~2024~~ 2024;*

18 *Amended Eff. March 1, 2025.*

1 21 NCAC 06O .0114 is proposed for amendment as follows:

2

3 **21 NCAC 06O .0114 ANIMALS IN BARBER SHOPS**

4 The presumptive civil penalty for a barber ~~manager~~ shop or mobile barber shop allowing an animal in a ~~a~~ the barber
5 shop or mobile barber shop in violation of 21 NCAC 06L .0114:

6 (1) 1st offense \$100.00

7 (2) 2nd offense \$150.00

8 (3) 3rd offense \$250.00

9

10 *History Note: Authority G.S. ~~86A-15; 85A-27; 86B-10; 86B-31;~~*
11 *Eff. June 1, 2008;*
12 *Readopted Eff. July 1, 2016;*
13 *Temporary Amendment Eff. May 10, 2023;*
14 *Temporary Amendment Exp. Eff. February 26, ~~2024.~~ 2024;*
15 *Amended Eff. March 1, 2025.*

1 21 NCAC 06O .0116 is proposed amendment as follows:

2

3 **21 NCAC 06O .0116 UNLICENSED SCHOOL INSTRUCTORS**

4 (a) The presumptive civil penalty for a barber school allowing an individual to instruct without an instructor's
5 ~~certificate:~~ license, in violation of 21 NCAC 06F .0104:

6 (1) 1st offense \$200.00

7 (2) 2nd offense \$300.00

8 (3) 3rd offense \$500.00

9 (b) The presumptive civil penalty for an individual engaging in instructing without an instructor's ~~certificate:~~ license,
10 in violation of 21 NCAC 06F .0104:

11 (1) 1st offense \$150.00

12 (2) 2nd offense \$450.00

13 (3) 3rd offense \$500.00

14

15 *History Note: Authority G.S. ~~86A-22; 86A-23; 86A-27; 86B-10; 86B-38; 86B-39;~~*

16 *Eff. September 1, 2009;*

17 *Readopted Eff. July 1, 2016;*

18 *Temporary Amendment Eff. May 2, 2023;*

19 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024;*

20 *Amended Eff. March 1, 2025.*

1 21 NCAC 06O .0117 is proposed for amendment as follows:

2

3 **21 NCAC 06O .0117 BARBER FAILING TO MAINTAIN OR PRODUCE EXEMPTION LOG**

4 (a) The presumptive civil penalty for a licensed barber failing to maintain the exemption log required by 21 NCAC
5 06L .0111:

6 (1) 1st offense \$100.00

7 (2) 2nd offense \$150.00

8 (3) 3rd offense \$250.00

9 (b) The presumptive civil penalty for a licensed barber failing to produce the exemption log required by 21 NCAC
10 06L .0111:

11 (1) 1st offense \$100.00

12 (2) 2nd offense \$150.00

13 (3) 3rd offense \$250.00

14

15 *History Note: Authority G.S. ~~86A-15(e); 86A-27; 86B-10; 86B-31;~~*

16 *Eff. April, 1, 2010;*

17 *Readopted Eff. July 1, 2016;*

18 *Temporary Amendment Eff. May 2, 2023;*

19 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024;*

20 *Amended Eff. March 1, 2025.*

1 21 NCAC 06O .0119 is proposed for amendment as follows:

2

3 **21 NCAC 06O .0119 FAILURE TO NOTIFY BOARD OF CHANGE OF ADDRESS**

4 ~~(a) The presumptive civil penalty for the failure of a barber shop or barber school to fail to notify the Board of a~~
5 ~~change of address:~~

6 (1) ~~1st offense \$50.00~~

7 (2) ~~2nd offense \$100.00~~

8 (3) ~~3rd offense \$200.00~~

9 ~~(b) The presumptive civil penalty for an individual manager for the failure a barber shop or mobile barber shop failing~~
10 ~~to notify the Board of a change of address for a the barber shop or mobile barber shop as set forth in 21 NCAC 06L~~
11 ~~.0120; or barber school:~~

12 (1) 1st offense \$50.00

13 (2) 2nd offense \$100.00

14 (3) 3rd offense \$200.00

15

16 *History Note: Authority G.S. ~~86A-1; 86A-5(a)(6); 86A-27; 86B-2; 86B-10; 86B-30;~~*

17 *Eff. July 1, 2016;*

18 *Temporary Amendment Eff. May 10, 2023;*

19 *Temporary Amendment Exp. Eff. February 26, ~~2024.~~ 2024;*

20 *Amended Eff. March 1, 2025.*

1 21 NCAC 06O .0121 is proposed for amendment as follows:

2

3 **21 NCAC 06O .0121 FAILURE TO DISPLAY SANITATION GRADE AND SHOP PERMIT**

4 The presumptive civil penalty for the failure of a ~~shop~~ barber shop, mobile barber, or barber school to display its
5 sanitation grade ~~and shop~~ or permit in a place visible to the ~~public at the front of the shop;~~ public, as set forth in G.S.
6 86B-33 and 21 NCAC 06L .0115(c):

7 (1) 1st offense ~~\$50.00~~ \$150.00

8 (2) 2nd offense ~~\$100.00~~ \$350.00

9 (3) 3rd offense ~~\$200.00~~ \$400.00

10

11 *History Note: Authority G.S. ~~86A-1; 86A-5(a)(6); 86A-16; 86A-27; 86B-2; 86B-10; 86B-33;~~*

12 *Eff. July 1, 2016;*

13 *Temporary Amendment Eff. May 2, 2023;*

14 *Temporary Amendment Exp. Eff. February 9, ~~2024.~~ 2024;*

15 *Amended Eff. March 1, 2025.*

1 21 NCAC 06O .0123 is proposed for adoption as follows:

2

3 **21 NCAC 06O .0123 LICENSING OF MOBILE BARBER SHOPS**

4 (a) The presumptive civil penalty for operating a mobile barber shop without first filing an application for a mobile
5 barber shop permit, obtaining an inspection, and obtaining a mobile barber shop permit in violation of G.S. 86B-21:

6 (1) 1st offense \$400.00

7 (2) 2nd offense \$450.00

8 (3) 3rd offense \$500.00

9 (b) The presumptive civil penalty for operating a mobile barber shop with an expired permit in violation of G.S. 86B-
10 29(b):

11 (1) 1st offense \$200.00

12 (2) 2nd offense \$300.00

13 (3) 3rd offense \$500.00

14

15 History Note: Authority G.S. 86B-10; 86B-21; 86B-29; 86B-30;

16 Eff. March 1, 2025.

1 21 NCAC 06O .0124 is proposed for adoption as follows:

2

3 **21 NCAC 06O .0124 TOILETS, SINK, SEWAGE, AND WASTEWATER IN MOBILE BARBER SHOPS**

4 (a) The presumptive civil penalty for operating a mobile barber shop after wastewater storage capacity has been
5 reached, in violation of 21 NCAC 06L .0203(6)(a):

6 (1) 1st offense \$300.00

7 (2) 2nd offense \$400.00

8 (3) 3rd offense \$500.00

9 (b) The presumptive civil penalty for operating a mobile barber shop with toilets that do not function, in violation of
10 21 NCAC 06L .0203(6)(b):

11 (1) 1st offense \$300.00

12 (2) 2nd offense \$400.00

13 (3) 3rd offense \$500.00

14 (c) The presumptive civil penalty for operating a mobile barber shop without potable, running hot and cold water, in
15 violation of 21 NCAC 06L .0203(6)(c):

16 (1) 1st offense \$300.00

17 (2) 2nd offense \$400.00

18 (3) 3rd offense \$500.00

19 (d) The presumptive civil penalty for operating a mobile barber shop without soap and disposable towels for all sinks,
20 in violation of 21 NCAC 06L .0203(3):

21 (1) 1st offense \$200.00

22 (2) 2nd offense \$300.00

23 (3) 3rd offense \$400.00

24

25 History Note: Authority G.S. 86B-10; 86B-30;

26 Eff. March 1, 2025.

1 21 NCAC 06O .0125 is proposed for adoption as follows:

2

3 **21 NCAC 06O .0125 MOBILE BARBER SHOP MONTHLY REPORTS**

4 (a) The presumptive civil penalty for a mobile barber shop failing to submit the monthly report required by 21 NCAC
5 06L .0205:

6 (1) 1st offense \$300.00

7 (2) 2nd offense \$400.00

8 (3) 3rd offense \$500.00

9 (b) The presumptive civil penalty for a mobile barber shop operating at a location on a particular date not included in
10 the report required by 21 NCAC 06L .0205: \$500.

11

12 History Note: Authority G.S. 86B-10; 86B-30;

13 Eff. March 1, 2025.

1 21 NCAC 06O .0126 is proposed for adoption as follows:

2

3 **21 NCAC 06O .0126 FAILURE TO NOTIFY BOARD OF CHANGE OF DESIGNATED LICENSED**
4 **BARBER FOR MOBILE BARBER SHOP**

5 The presumptive civil penalty for the failure of a mobile barber shop to notify the Board of a change of licensed barber
6 designated as set forth in 21 NCAC 06L .0204:

7 (1) 1st offense \$50.00

8 (2) 2nd offense \$100.00

9 (3) 3rd offense \$200.00

10

11 History Note: Authority G.S. 86B-2; 86B-10; 86B-38;

12 Eff. March 1, 2025.

1 21 NCAC 06P .0103 is proposed for amendment as follows:

2

3 **21 NCAC 06P .0103 GENERAL DEFINITIONS**

4 For purposes of the rules in this Chapter, the following definitions shall apply:

5 (1) "Barber" means any person who engages in or attempts to engage in the practice of barbering or
6 provide barbering services.

7 (2) "Barber instructor" means any person who engages in or attempts to engage in the teaching of the
8 practice of barbering.

9 (3) "Barber pole" means an actual or representation of a cylinder or pole with alternating stripes of any
10 combination including red and white, and red, white, and blue that run diagonally along the length
11 of the cylinder or pole.

12 (4) "Barber school" means any establishment that ~~engages in teaches~~ or attempts to ~~engage in the~~
13 ~~teaching of teach~~ the practice of barbering.

14 (5) "Barber student" means any person who is enrolled in barber school, including those taking classes
15 beyond the ~~4528~~ 1,528 hours required ~~hours~~, by G.S. 86B-38.

16 (6) "Board" means the ~~State~~ North Carolina Board of Barber and Electrolysis Examiners.

17 (7) "License" or "permit" or ~~"certificate of registration"~~ means the actual license or permit issued by the
18 Board and current government issued photo identification depicting the licensee's or permittee's
19 photograph and legal name.

20 (8) "Military service record" means veteran service records, such as the U.S. Department of Defense
21 Form 214 (DD-214), or other military service records from the military or National Archives.

22 (9) ~~"Pick up order" means an order issued by the Board and signed by the Executive Director~~
23 ~~authorizing an inspector to physically retrieve a permit or license.~~ "Offense," as used in Subchapter
24 O, means each instance of a violation of the cited rule or statute that is memorialized in writing from
25 the Board to the individual. If an individual requests a hearing before the Board or judicial review,
26 the alleged violation of rule or statute will not be deemed an offense until the Board issues a final
27 agency decision or the judicial review is finalized, whichever occurs later.

28 (10) "Practice of barbering" and "barber services" means all activities set forth in ~~G.S. 86A-2~~, G.S. 86B-
29 22 and the sanitary requirements of ~~Chapter 86A~~ G.S. 86B and the sanitary rules adopted by the
30 Board.

31 (11) "Sanitary" means free of infectious agents, diseases, or infestation by insects or vermin and free of
32 soil, dust, or dirt.

33

34 *History Note:* Authority G.S. 86A-2; 86A-5; 86A-13; 86A-15; 86A-22; 86A-23; 86B-2; 86B-10; 86B-22; 86B-29;
35 86B-31; 86B-38; 86B-39; 93B-15.1;

36 *Eff. June 1, 2008;*

37 *Readopted Eff. July 1, 2016;*

- 1 *Amended Eff. April 1, 2017;*
- 2 *Temporary Amendment Eff. May 2, 2023;*
- 3 *Temporary Amendment Exp. Eff. February 9, ~~2024~~ 2024;*
- 4 *Amended Eff. March 1, 2025.*

1 21 NCAC 06Q .0101 is proposed for amendment as follows:

2

3 **21 NCAC 06Q .0101 ADDITIONAL GROUNDS FOR DENIAL OR DISCIPLINE**

4 Except as provided in ~~Chapter 86A of the General Statutes, G.S. 86B~~, the Board:

5 (1) shall find fraudulent misrepresentation in the following examples:

6 (a) An individual or entity operates or attempts to operate a barber ~~shop~~ shop, mobile barber
7 shop, or barber school without a permit;

8 (b) An individual or entity advertises barbering services unless the establishment and
9 personnel employed therein are licensed or permitted;

10 (c) An individual or entity uses or displays a barber pole only if the use of the barber pole is
11 for the purpose of offering barber services to the public without a barber ~~shop~~ shop, mobile
12 barber shop, or barber school permit. This Rule does not prohibit use of a barber pole for
13 purposes other than offering services that require a ~~certificate of registration, license,~~
14 license or permit under ~~G.S. 86A; G.S. 86B~~; and

15 (d) An individual or entity fails to produce a license or permit as defined by 21 NCAC 06P
16 .0103(7) upon the request of the Board's Executive Director or a Board inspector during an
17 inspection;

18 (2) will determine whether grounds for denial or discipline exist when:

19 (a) An individual violates a settlement agreement entered into with the Board;

20 (b) An individual or entity violates ~~G.S. 86A~~ G.S. 86B or any rule adopted by the Board for
21 barbers, barber ~~shops~~ shops, mobile barber shops, or barber schools; or

22 (c) An individual fails to disclose a felony criminal conviction in dealing with the Board.

23

24 *History Note:* ~~Authority G.S. 86A-1; 86A-2; 86A-5(a); 86A-10; 86A-11; 86A-13; 86A-15; 86A-16; 86A-17; 86A-~~
25 ~~18; 86A-20; 86A-22; 86A-23; 86A-24; 86B-2; 86B-21; 86B-22; 86B-26; 86B-27; 86B-29; 86B-31;~~
26 ~~86B-33; 86B-34; 86B-35; 86B-37; 86B-38; 86B-39; 86B-40;~~

27 *Eff. June 1, 2008;*

28 *Amended Eff. September 1, 2013;*

29 *Readopted Eff. October 1, 2016;*

30 *Temporary Amendment Eff. May 2, 2023;*

31 *Temporary Amendment Exp. Eff. February 9, 2024, 2024;*

32 *Amended Eff. March 1, 2025.*

**NORTH CAROLINA BOARD
OF BARBER AND ELECTROLYSIS EXAMINERS**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023



NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

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NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Management's Discussion and Analysis For The Fiscal Year Ended June 30, 2024

The following is a discussion and analysis of the North Carolina Board of Barber and Electrolysis Examiners' (the "Board") financial performance for the fiscal year ended June 30, 2024. The following financial statements and footnotes comprise our complete set of financial information. The Management's Discussion and Analysis identifies significant transactions that have financial impact and highlights favorable and unfavorable trends. Comparative data for the current year and the previous two years are presented in the analysis.

Financial Highlights

The operating revenues of the Board increased by \$71,038 or 9.43%, primarily due to increases in registered, apprentice certificates and shop permits.

The operating expenses of the Board increased by \$64,652 or 9.06%, primarily due to increases in OPEB-related pension expense, salaries and wages and computer services, partially offset by decreases in exam fees, and legal expenses.

The unrestricted net position (deficit) at June 30, 2024 and 2023 reflects the reporting requirements under GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, which was effective for fiscal years beginning after June 15, 2017. The Board participates in two Other Postemployment Benefit ("OPEB") plans administered by the State of North Carolina: the Retiree Health Benefit Fund ("RHBF") and the Disability Income Plan of North Carolina ("DIPNC"). The reporting requirement reflects the liability recognized for the Board's proportionate share of the collective net OPEB liability, which was \$248,034 as of June 30, 2024, and \$338,363 as of June 30, 2023. See Footnote 6 to the financial statements for further discussion.

Overview of the Basic Financial Statements

This discussion and analysis is an introduction to the Board's basic financial statements, which are comprised of the following components: 1) Statements of Net Position, 2) Statements of Revenues, Expenses and Changes in Net Position, 3) Statements of Cash Flows, and 4) Notes to Financial Statements. These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS
Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2024

Basic Financial Statements

The basic financial statements of the Board report information about the Board using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about the activities of the Board.

The Statements of Net Position present the current and noncurrent positions of assets and liabilities separately.

The Statements of Revenues, Expenses, and Changes in Net Position present information on how the Board's net position changed as a result of the year's operations.

The Statements of Cash Flows present information on how the Board's cash changed as a result of the year's activity.

The following presents condensed financial information on the operations of the Board as of and for the year ended June 30:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current assets	\$ 1,023,577	\$ 1,032,082	\$ 952,799
Noncurrent assets	-	-	234
Capital assets - net of depreciation	<u>61,881</u>	<u>94,890</u>	<u>128,443</u>
Total assets	<u>1,085,458</u>	<u>1,126,972</u>	<u>1,081,476</u>
Deferred outflows of resources	<u>268,336</u>	<u>303,381</u>	<u>167,750</u>
Current liabilities	<u>420,081</u>	<u>459,071</u>	<u>424,801</u>
Noncurrent liabilities	<u>511,383</u>	<u>659,501</u>	<u>544,766</u>
Total liabilities	<u>931,464</u>	<u>1,118,572</u>	<u>969,567</u>
Deferred inflows of resources	<u>223,659</u>	<u>196,943</u>	<u>289,586</u>
Net position:			
Investment in capital assets	29,545	38,407	49,317
Unrestricted	<u>169,126</u>	<u>76,431</u>	<u>(59,244)</u>
Total net position (deficit)	<u>\$ 198,671</u>	<u>\$ 114,838</u>	<u>\$ (9,927)</u>
Operating revenues	\$ 824,591	\$ 753,553	\$ 806,560
Operating expenses	<u>778,459</u>	<u>713,807</u>	<u>649,443</u>
Operating income	<u>46,132</u>	<u>39,746</u>	<u>157,117</u>
Non-operating revenues	<u>37,701</u>	<u>15,180</u>	<u>1,290</u>
Changes in net position	<u>\$ 83,833</u>	<u>\$ 54,926</u>	<u>\$ 158,407</u>

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Management's Discussion and Analysis For The Fiscal Year Ended June 30, 2024

Events Affecting Future Operations

The Board's long-term financial outlook has improved substantially, following spending cuts made in fiscal year 2016. These cuts have had a negative impact on operations, which the Board is addressing by increasing its online transactions and requesting authorization from the General Assembly to increase fees. The Board believes modest fee increases, perhaps based on the Consumer Price Index, would allow it to continue building on its financial health while improving efficiency and operations.

The General Assembly passed legislation (Session Law 2022-72) that moved the Board of Electrolysis Examiners under the Board of Barber Examiners, forming a newly merged board. The merger, which was effective January 1, 2023, has affected operations by increasing the number of licensed programs the Board administers. However, the Board does not anticipate any negative long-term financial impact from the merger because the Board of Electrolysis Examiners had an existing revenue stream and fund balance.

Contacting the Board's Management

This financial report is designed to provide a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives and expends. If you have any questions about this report or need additional information, contact the North Carolina Board of Barber and Electrolysis Examiners, 7001 Mail Service Center, Raleigh, NC 27699-7000.



Bernard Robinson & Company, L.L.P.

Independent Auditor's Report

Members of the Board
North Carolina Board of Barber and Electrolysis Examiners
Raleigh, North Carolina

Opinion

We have audited the accompanying financial statements of the North Carolina Board of Barber and Electrolysis Examiners (the "Board"), an enterprise fund of the State of North Carolina, which comprise the statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Board as of June 30, 2024 and 2023, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters we identified during the audit.

Emphasis of Matter

As discussed in Note 1, the financial statements presented are only for the Board and do not purport to, and do not present fairly the financial position of the State of North Carolina as of June 30, 2024 and 2023, or the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, on pages 1 - 3, the Schedules of Proportionate Share of Net Pension Liability and Board Contributions - Teachers' and State Employees' Retirement System on page 30; Proportionate Share of Net OPEB Liability and Schedule of Board Contributions - Retiree Health Benefit Fund and Disability Income Plan of North Carolina on page 31; and Schedule of Changes in the Total OPEB Liability and Related Ratios on page 32; be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Bernard Robinson & Company, L.L.P.

Raleigh, North Carolina
October 21, 2024

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Statements of Net Position

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS:		
Current assets:		
Cash - State Treasurer	\$ 1,006,155	\$ 1,005,303
Accounts receivable, net	10,726	19,501
Prepaid expenses	6,696	7,278
Total current assets	<u>1,023,577</u>	<u>1,032,082</u>
Capital assets:		
Right to use leased assets, net of amortization	28,928	52,071
Property and equipment, net of depreciation	32,953	42,819
Total capital assets - net	<u>61,881</u>	<u>94,890</u>
Total assets	<u>1,085,458</u>	<u>1,126,972</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Pension deferrals	98,510	123,603
Contributions to pension plan in current fiscal year	60,406	54,120
Other postemployment benefit deferrals	109,420	125,658
Total deferred outflows of resources	<u>268,336</u>	<u>303,381</u>
LIABILITIES:		
Current liabilities:		
Accounts payable	36,165	53,661
Lease liabilities, current portion	25,724	24,147
Unearned revenue	358,192	381,263
Total current liabilities	<u>420,081</u>	<u>459,071</u>
Noncurrent liabilities:		
Accrued vacation	35,000	35,000
Lease liabilities, net of current portion	6,612	32,336
Net other postemployment benefit liability	248,034	338,363
Net pension liability	221,737	253,802
Total noncurrent liabilities	<u>511,383</u>	<u>659,501</u>
Total liabilities	<u>931,464</u>	<u>1,118,572</u>
DEFERRED INFLOWS OF RESOURCES:		
Pension deferrals	16,717	4,641
Other postemployment benefit deferrals	206,942	192,302
Total deferred inflows of resources	<u>223,659</u>	<u>196,943</u>
NET POSITION:		
Investment in capital assets, net of lease liabilities	29,545	38,407
Unrestricted	169,126	76,431
Total net position	<u>\$ 198,671</u>	<u>\$ 114,838</u>

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2024 and 2023

	2024	2023
Operating revenues:		
Registered certificates	\$ 297,696	\$ 282,100
Apprentice certificates	46,950	30,850
Instructor certificates	13,430	12,580
Apprentice exam fees	140,976	144,750
Registered exam fees	26,565	21,505
Instructor exam fees	9,900	5,775
Business license fees	513	-
Shop permits	120,990	102,115
Student permits	31,000	27,775
School permits	8,120	5,460
Inspection fees	39,420	30,960
Late fees	84,475	83,735
Fines and penalties	1,698	469
Miscellaneous	2,858	5,479
Total operating revenues	<u>824,591</u>	<u>753,553</u>
Operating expenses:		
Salaries and wages	342,440	314,445
Payroll taxes	24,515	22,329
Pension and other postemployment benefits	25,339	(13,123)
Medical insurance contributions	38,467	34,521
Board members' per diem	2,600	1,100
Travel - board members	317	1,042
Travel - staff	63,440	65,007
Other contracted services	23,592	21,974
Telephone	8,062	7,763
Exam	7,896	22,760
Interest expense on lease liabilities	1,481	2,238
Amortization, right to use leased assets	23,143	23,143
Depreciation	9,866	10,410
Office supplies	2,887	8,593
Printing	4,276	4,256
Postage	9,668	17,517
Insurance and bonding	21,137	22,627
Legal services	24,047	36,964
Accounting and auditing	17,500	14,500
Computer services	99,181	79,499
Civil penalties remitted	440	8,016
Miscellaneous	28,165	8,226
Total operating expenses	<u>778,459</u>	<u>713,807</u>
Operating income	<u>46,132</u>	<u>39,746</u>
Non-operating revenues:		
Interest income	37,701	15,117
Gain on disposal of equipment	-	63
Total non-operating revenues	<u>37,701</u>	<u>15,180</u>
Changes in net position	83,833	54,926
Net position (deficit) - beginning of year	114,838	(9,927)
Transfer of equity from merger	-	69,839
Net position - end of year	<u>\$ 198,671</u>	<u>\$ 114,838</u>

See Notes to Financial Statements

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Cash received from fees	\$ 810,877	\$ 807,821
Cash payments to employees for services	(491,394)	(447,330)
Cash payments for suppliers of goods and services	(235,742)	(241,543)
Cash payments for interest on leased assets	(1,481)	(2,238)
Cash payments for other operating expenses	(94,962)	(83,391)
Net cash provided by (used in) operating activities	(12,702)	33,319
Cash flows from investing activities:		
Interest income	37,701	15,117
Net cash provided by investing activities	37,701	15,117
Cash flows from capital and related financing activities:		
Payments on lease liabilities	(24,147)	(22,643)
Cash received from merger	-	69,839
Sale of surplus property	-	63
Net cash provided by (used in) capital and related financing activities	(24,147)	47,259
Increase in cash	852	95,695
Cash - beginning of year	1,005,303	909,608
Cash - end of year	\$ 1,006,155	\$ 1,005,303
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income	\$ 46,132	\$ 39,746
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Amortization, leased assets	23,143	23,143
Depreciation	9,866	10,410
Changes in assets and liabilities:		
Accounts receivable	8,775	15,972
Net other postemployment benefit asset	-	234
Prepaid expenses	582	440
Deferred outflows of resources	35,045	(135,631)
Accounts payable	(17,496)	(5,090)
Accrued vacation	-	2,800
Unearned revenue	(23,071)	37,856
Net pension liability	(32,065)	177,944
Net other postemployment benefit liability	(90,329)	(41,862)
Deferred inflows of resources	26,716	(92,643)
Total adjustments	(58,834)	(6,427)
Net cash provided by (used in) operating activities	\$ (12,702)	\$ 33,319

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

The North Carolina Board of Barber and Electrolysis Examiners (the "Board") is an independent State agency. It is an occupational licensing board authorized by Chapter 86B of the North Carolina General Statutes. The nine Board members are appointed by the Governor of the State of North Carolina. The Board is entitled to the services of the Attorney General of North Carolina.

The Board's function is to regulate the barber, electrolysis, and laser hair industries. The Board's operations are funded primarily through license fees, license examination fees and other income.

Effective January 1, 2023, pursuant to Session Law 2022-72, the North Carolina Board of Electrolysis Examiners merged with the North Carolina Board of Barber Examiners, forming a newly merged board, the North Carolina Board of Barber and Electrolysis Examiners. The merger occurred due to the State's effort to consolidate licensing boards in similar fields. There were no significant changes to accounting policies or procedures as a result of the merger. During the year ended June 30, 2023, the Board of Electrolysis Examiners' ending cash balance of \$69,839 was transferred to the newly merged board. This amount is reported as a transfer of equity in the accompanying Statement of Revenues, Expenses and Changes in Net Position.

Financial Reporting Entity

The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America (GAAP), the financial reporting entity includes both the primary government and all of its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. The accompanying financial statements present all funds and activities for which the Board is responsible.

For financial reporting purposes, the Board is a nonmajor enterprise fund of the primary government of the State of North Carolina and may be reported as such in the State's *Annual Comprehensive Financial Report* (ACFR). These financial statements for the Board are separate and apart from those of the State of North Carolina and do not present the financial position of the State nor changes in the State's financial position and cash flows.

Basis of Presentation

The accompanying basic financial statements have been prepared in accordance with GAAP as prescribed by the Governmental Accounting Standards Board (GASB). Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of Accounting

The basic financial statements of the Board have been prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when a liability has been incurred, regardless of the timing of the cash flows. Fees received for the various licenses are deemed earned when the license period begins.

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

The Board classifies its revenues and expenses as operating or non-operating in the accompanying Statements of Revenues, Expenses, and Changes in Net Position. Operating revenues and expenses generally result from providing services that are necessary to the Board's principal ongoing operations.

Operating revenues include activities that have characteristics of exchange transactions and consist primarily of license renewal and examination fees. Operating expenses are all expense transactions other than those related to capital and noncapital financing or investing activities as defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting*. Non-operating revenues and expenses include activities that have characteristics of non-exchange transactions and consist primarily of investment activities.

Changes in Financial Accounting and Reporting

The Board adopted the requirements of Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses* (Topic 326). This ASU, along with related ASUs issued subsequently, revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. The Board does not expect Topic 326 to have a significant impact on its financial condition or results of operations.

Cash - State Treasurer

This classification consists of funds deposited by the Board with the cash accounts of the North Carolina State Treasurer. Because these funds are immediately available for expenditure, they are considered a cash equivalent.

Accounts Receivable

Accounts receivable consist of civil penalties and legal fees due from administrative proceedings and are shown at book value less an allowance for doubtful accounts which is based on management's review of past due accounts and collection history. The allowance was \$23,100 at June 30, 2024 and 2023.

Right-To-Use Leased Asset and Lease Liabilities

Leases that provide the Board the right to use an asset for a period of more than one year are considered a capital asset. Right-to-use leased assets are recorded at the initial measurement of the lease liability which equals the present value of all payments expected to be made during the lease term. The right-to-use leased assets are amortized on a straight-line basis over the term of the lease(s).

Lease liabilities represent the Board's financial obligation to make lease payments during the term of the lease and is measured at the present value of future lease payments.

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment, including software purchases, of \$5,000 or more with an expected useful life greater than two years are considered capital assets. Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the following useful lives:

Equipment, furniture and software	3 - 10 years
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When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in non-operating revenue or expense for the period.

Unearned Revenues

Licenses are renewed for a period of one year. License applications, renewal fees, and exam fees received in advance are deferred and recognized as revenue in the period to which they relate.

Accrued Vacation

The vacation policy of the Board provides for the accumulation of up to 30 days earned vacation leave with such leave being fully vested when earned.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element called deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The Board has the following items that meet the criterion for this category: Contributions made to the pension plan, disability plan, and the retirement health benefit plan, and deferrals of pension assets and other postemployment benefit assets that resulted from the implementation of GASB Statement No. 68 and GASB Statement No. 75. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, called deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has the following items that meet the criterion for this category: Deferrals of pension expense and other postemployment benefit expense that resulted from the implementation of GASB Statement No. 68 and GASB Statement No. 75.

Net Position

The Board's net position is classified as follows:

Investment in Capital Assets - This represents the Board's total investment in capital assets. Capital assets include property and equipment, net of accumulated depreciation; right-to-use leased assets, net of accumulated amortization and related lease liabilities.

Unrestricted - This represents assets with no external restriction as to use or purpose. Unrestricted net assets can be employed for any purpose designated by the governing board, as distinguished from funds restricted externally for specific purposes.

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates, resulting in adjustments in future periods.

NOTE 2 - DEPOSITS - CUSTODIAL CREDIT RISK

Cash - State Treasurer

Deposits include cash on deposit with the State Treasurer. It is the State Treasurer's policy and practice for deposits not covered by federal depository insurance to be covered by collateral held by the State of North Carolina's agent in the name of the State.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment were comprised of the following:

	Cost 6/30/2023	Additions	Disposals	Cost 6/30/2024	Accumulated Depreciation	Net Amount
Equipment/ furniture/ software	\$ 148,619	\$ -	\$ -	\$ 148,619	\$ 115,666	\$ 32,953
	Cost 6/30/2022	Additions	Disposals	Cost 6/30/2023	Accumulated Depreciation	Net Amount
Equipment/ furniture/ software	\$ 148,619	\$ -	\$ -	\$ 148,619	\$ 105,800	\$ 42,819

NOTE 4 - ACCRUED VACATION

Accrued vacation consisted of the following at June 30:

	2024	2023
Beginning accrued vacation	\$ 35,000	\$ 32,200
Vacation earned	34,774	34,656
Vacation used	(34,774)	(31,856)
Ending accrued vacation	\$ 35,000	\$ 35,000

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 5 - PENSION PLAN

Plan Administration

The State of North Carolina administers the Teachers' and State Employees' Retirement System (TSERS) plan. This plan is a cost-sharing, multiple-employer, defined benefit pension plan established by the State to provide pension benefits for general employees and law enforcement officers (LEOs) of the State, general employees and LEOs of its component units, and employees of Local Education Agencies (LEAs) and charter schools not in the reporting entity. Membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the LEAs and charter schools that elect to join the Retirement System. Benefit provisions are established by General Statute 135-5 and may be amended only by the North Carolina General Assembly.

Benefits Provided

TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of membership service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of membership service.

Survivor benefits are available to eligible beneficiaries of general members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life in lieu of the return of the member's contributions that is generally available to beneficiaries of deceased members. The plan does not provide for automatic post-retirement benefit increases.

Contributions

Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute 6% of their annual pay. The contribution rate for employers is set each year by the North Carolina General Assembly in the Appropriations Act and may not be less than the contribution rate require of plan members.

The Board's contractually-required contribution rate for the year ended June 30, 2024 was 17.63% of covered payroll from July 1, 2023 through June 30, 2024. The Board's contributions to the pension plan were \$60,406 and employee contributions were \$19,657 for the year ended June 30, 2024.

The TSERS Plan's financial information, including all information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position, is included in the State of North Carolina's fiscal year 2023 *Annual Comprehensive Financial Report*. An electronic version of this report is available by accessing the North Carolina Office of the State Controller's Internet home page <http://www.osc.nc.gov/> and clicking on "Reports" or by calling the State Controller's Financial Reporting Section at (919) 707-0500.

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 5 - PENSION PLAN (Continued)

TSERS Basis of Accounting

The financial statements of the TSERS plan were prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The plan's fiduciary net position was determined on the same basis used by the pension plan.

Methods Used to Value TSERS Investment

Pursuant to North Carolina General Statutes, the State Treasurer is the custodian and administrator of the retirement systems. The State Treasurer maintains various investment portfolios in its External Investment Pool. The Teachers' and State Employees' Retirement System, the Local Governmental Employees' Retirement System, the Firefighters' and Rescue Squad Workers' Pension Fund, the Consolidated Judicial Retirement System, the Legislative Retirement System and the North Carolina National Guard Pension Fund participate in the Long-term Investment, Fixed Income Investment, Equity Investment, Real Estate Investment, Alternative Investment, Opportunistic Fixed Income Investment, and Inflation Sensitive Investment portfolios. The Fixed Income Asset Class includes the Long-term Investment and Fixed Income Investment portfolios. The Global Equity Asset Class includes the Equity Investment portfolio. The Registers of Deeds' Supplemental Pension Fund is invested in the Bond Index External Investment Pool. The investment balance of each pension trust fund represents its share of the fair value of the net position of the various portfolios within the External Investment Pool.

Additionally, the securities lending balance represents assets occurring from securities lending transactions that result from the systems' participation in the pool. Descriptions of the investments of the TSERS plan are included in the State of North Carolina's fiscal year 2023 Annual Comprehensive Financial Report.

Net Pension Liability

At June 30, 2024, the Board reported a liability of \$221,737 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, and update procedures were used to roll forward the total pension liability to June 30, 2022. The Board's proportion of the net pension liability was based on the present value of future salaries for the Board relative to the present value of future salaries for all participating employers, actuarially-determined. As of June 30, 2024, the Board's proportion was 0.00133%, compared to 0.00171% as of June 30, 2023.

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 5 - PENSION PLAN (Continued)

Actuarial Assumptions

The following table presents the actuarial assumptions used to determine the total pension liability for the TSERS plan at the actuarial valuation date:

Valuation Date	<u>12/31/2022</u>
Inflation	2.5%
Salary Increases*	3.25% - 8.05%
Investment Rate of Return**	6.5%

* Salary increases include 3.25% inflation and productivity factor.

** Investment rate of return includes inflation assumption and is net of pension plan investment expense.

TSERS currently use mortality tables that vary by age, gender, employee group (i.e. teacher, general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. public plan population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2022 valuations were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

Future ad hoc Cost of Living Adjustment (COLA) amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections.

Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 (the valuation date) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	0.9%
Global Equity	6.5%
Real Estate	5.9%
Alternatives	8.2%
Opportunistic Fixed Income	5.0%
Inflation Sensitive	2.7%

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 5 - PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

The information in the preceding table is based on 30 year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset liability and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2023 was 0.78%.

Discount Rate

The discount rate used to measure the total pension liability was 6.5%. This discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the plan calculated using the discount rate of 6.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.5%) or 1-percentage point higher (7.5%) than the current rate (dollars in thousands):

1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
\$375,882	\$221,737	\$90,622

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the Board recognized pension expense of \$60,339. At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 5 - PENSION PLAN (Continued)

Employer Balances of Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension by Classification

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between actual and expected experience	\$ 18,077	\$ 1,637
Changes of assumptions	7,787	-
Net difference between projected and actual earnings on pension plan investments	61,754	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>10,892</u>	<u>15,080</u>
	98,510	16,717
Contributions subsequent to the measurement date	<u>60,406</u>	-
	<u>\$ 158,916</u>	<u>\$ 16,717</u>

The amount reported as deferred outflows of resources related to pensions of \$60,406 will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending June 30:</u>	
2025	\$ 31,299
2026	13,139
2027	34,717
2028	<u>2,638</u>
	<u>\$ 81,793</u>

Amount of the Employer's Balance of Deferred Outflows of Resources that will be included as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2024:

Deferred Outflow Amount	<u>\$ 60,406</u>
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Changes in Long-Term Liabilities

	<u>Net Liability</u>
Balance July 1, 2023	\$ 253,802
Additions	-
Deletions	<u>(32,065)</u>
Balance, June 30, 2024	<u>\$ 221,737</u>
Due within one year	<u>\$ -</u>

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 6 - OTHER POSTEMPLOYMENT BENEFIT PLANS

The Board participates in two Other Postemployment Benefit ("OPEB") plans administered by the State of North Carolina: the Retiree Health Benefit Fund ("RHBF") and the Disability Income Plan of North Carolina ("DIPNC"). Although the assets of the administered plans are commingled for investment purposes, each plan's assets may be used only for payment of benefits to members of that plan and for related administrative costs.

The financial statements of the Retiree Health Benefit Fund and the Disability Income Plan of North Carolina were prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of each plan.

Pursuant to North Carolina General Statutes, the State Treasurer is the custodian and administrator of the OPEB funds. The State Treasurer maintains various investment portfolios in its External Investment Pool. The Retiree Health Benefit Fund participates in the External Investment Pool. The Disability Income Plan is invested in the Short-term Investment Portfolio of the External Investment Pool and the Bond Index External Investment Pool.

Each plan's financial information including all information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position, is included in the State of North Carolina's fiscal year 2023 Annual Comprehensive Financial Report. An electronic version of this report is available by accessing the North Carolina Office of the State Controller's Internet home page <http://www.osc.nc.gov/> and clicking on "Reports" in the "Public Information" menu or by calling the State Controller's Financial reporting Section at (919)707-0500.

Plan Descriptions:

Retirement Health Benefit Fund (RHBF)

Plan Administration

The State of North Carolina administers the North Carolina State Health Plan for Teachers and State Employees, referred to as the State Health Plan (the Plan), a healthcare plan exclusively for the benefit of employees of the State, the University of North Carolina System, community colleges, and certain other component units. In addition, Local Education Agencies (LEAs), charter schools, and some select local governments that are not part of the financial reporting entity also participate. The Plan is reported as a major component unit. Management of the Plan is vested in the State Health Plan Board of Trustees.

The RHBF has been established by Chapter 135-7, Article 1 of the General Statutes as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools and some select local governments that are not part of the financial reporting entity also participate.

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 6 - OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Retirement Health Benefit Fund (RHBF) (Continued)

By statute, RHBF is administered by the Board of Trustees of the Teachers' and State Employees' Retirement System. RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the State Health Plan. The State Treasurer, with the approval of the State Health Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the State Health Plan.

Benefits Provided

RHBF provides benefits to retired employees and disabled employees. Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the "DIPNC" and retirees of the Teachers' and State Employees' Retirement System (TSERS), with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, future coverage as retired employees is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's total noncontributory premium. Employees first hired on or after October 1, 2006 with 5 but less than 10 years of retirement service credit are eligible for coverage on a fully contributory basis. RHBF's benefit and contribution provisions are established by Chapter 135-7, Article 1, and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

Contributions

By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to the RHBF are irrevocable. Also by law, RHBF assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer RHBF, including costs to conduct required actuarial valuations of state-supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis, are determined by the General Assembly in the Appropriations Bill.

The Board's contractually-required contribution rates for the year ended June 30, 2024 was 7.14% of covered payroll from July 1, 2023 through June 30, 2024. The Board's contributions to the RHBF were \$24,450 for the year ended June 30, 2024.

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 6 - OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Disability Income Plan of NC (DIPNC)

Plan Administration

Short-term and long-term disability benefits are provided through the DIPNC, a cost-sharing, multiple-employer defined benefit plan, to the eligible members of the Teachers' and State Employees' Retirement System (TSERS) which includes employees of the State, the University of North Carolina system, community colleges, certain participating component units and Local Education Agencies (LEAs), and the University Employees' Optional Retirement Program. By statute, the DIPNC is administered by the Department of State Treasurer and the Board of Trustees of the TSERS.

Benefits Provided

Long-term disability benefits are payable as an other postemployment benefit from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, while the employee is disabled and does not meet the TSERS conditions for unreduced service retirement. An employee is eligible to receive long-term disability benefits provided the following requirements are met: (1) the employee has five or more years of contributing membership service in the Teachers' and State Employees' Retirement System (TSERS) or the University Employees' Optional Retirement Program, earned within 96 months prior to becoming disabled or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers' Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from the TSERS; and (6) the employee must terminate employment as a permanent, full-time employee. A general employee is eligible to receive an unreduced retirement benefit from the TSERS after (1) reaching the age of 65 and completing five years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of creditable service, at any age. A member who is a law enforcement officer is eligible to receive an unreduced retirement benefit from TSERS after (1) reaching the age of 55 and completing five years of creditable service as an officer, or (2) at any age with 30 years of creditable service.

For employees who had five or more years of membership service as of July 31, 2007, during the first 36 months of the long-term disability period, the monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one-twelfth of the annual longevity payment and local supplements to which the participant or beneficiary would be eligible.

The monthly benefits are subject to a maximum of \$3,900 per month reduced by any primary Social Security disability benefits and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled, but the benefits payable shall be no less than \$10 a month.

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 6 - OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Disability Income Plan of NC (DIPNC) (Continued)

Benefits Provided (Continued)

After the first 36 months of the long-term disability, the long-term benefit is calculated in the same manner as described above except the monthly benefit is reduced by an amount equal to a monthly primary Social Security disability benefit to which the participant or beneficiary might be entitled had Social Security disability benefits been awarded. When an employee qualifies for an unreduced service retirement allowance from the TSERS, the benefits payable from DIPNC will cease, and the employee will commence retirement under the Teachers' and State Employees' Retirement System.

For employees who had less than five years of membership service as of July 31, 2007, and meet the requirements for long-term disability on or after August 1, 2007, benefits are calculated in the same manner as described above except that after the first 36 months of the long-term disability, no further long-term disability benefits are payable unless the employee has been approved and is in receipt of primary Social Security disability benefits.

Contributions

Although the DIPNC operates on a calendar year, disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the state fiscal year. For the fiscal year ended June 30, 2024, the Board made a statutory contribution of 0.10% of covered payroll, which totaled \$377. This was equal to the actuarially required contribution.

Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases.

Net Other Postemployment Benefits Liability and Asset

Net OPEB Liability: At June 30, 2024, the Board reported a liability for the RHBF of \$247,733 for its proportionate share of the collective net RHBF liability. The net RHBF liability was measured as of June 30, 2021. The total RHBF liability used to calculate the net RHBF liability was determined by an actuarial valuation as of December 31, 2021, and update procedures were used to roll forward the total RHBF liability to June 30, 2022. The Board's proportion of the net RHBF liability was based on the present value of future salaries for the Board relative to the present value of future salaries for all participating employers, actuarially-determined. As of June 30, 2024, the Board's proportion was 0.00113%, compared to 0.00142% as of June 30, 2023.

Net OPEB Asset: At June 30, 2024, the Board reported a liability for the DIPNC of \$301 for its proportionate share of the collective net DIPNC liability. The net DIPNC liability was measured as of June 30, 2022. The total DIPNC asset used to calculate the net DIPNC liability was determined by an actuarial valuation as of December 31, 2022, and update procedures were used to roll forward the total DIPNC asset to June 30, 2023.

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 6 - OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Net Other Postemployment Benefits Liability and Asset (Continued)

The Board's proportion of the net DIPNC liability was based on the present value of future salaries for the Board relative to the present value of future salaries for all participating employers, actuarially-determined. As of June 30, 2024, the Board's proportion was 0.00093%, compared to 0.00149% as of June 30, 2023.

Actuarial Assumptions

The total OPEB liabilities for RHBF and DIPNC were determined by actuarial valuations as of December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

The total OPEB liabilities were then rolled forward to June 30, 2023 utilizing update procedures incorporating the actuarial assumptions.

	<u>RHBF</u>	<u>DIPNC</u>
Valuation Date	12/31/2022	12/31/2022
Inflation	2.50%	2.50%
Salary Increases*	3.25% - 8.05%	3.25% - 8.05%
Investment Rate of Return**	6.50%	3.00%
Healthcare Cost Trend Rate - Medical***	6.5% grading down to 5% by 2029	N/A
Healthcare Cost Trend Rate - Prescription Drug***	10% grading down to 5% by 2033	N/A
Healthcare Cost Trend Rate - Prescription Drug Rebates***	7% grading down to 5% by 2033	N/A
Healthcare Cost Trend Rate - Medicare Advantage***	0% through 2025, 5% thereafter	N/A
Healthcare Cost Trend Rate - Administrative****	3.00%	N/A

* Salary increases include 3.25% inflation and productivity factor.

** Investment rate of return is net of OPEB plan investment expense, including inflation.

***Disability Income Plan of NC eliminated employer reimbursements from the plan (which included State Health Plan premiums) effective July 1, 2019.

The OPEB plans currently use mortality tables that vary by age, gender, employee group (i.e. teacher, other educational employee, general employee, or law enforcement officer) and health status (i.e. disabled or not disabled). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. public plan population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons.

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 6 - OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Actuarial Assumptions (Continued)

Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2023.

Best estimates of real rates of return for each major asset class included in the RHBF's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	0.90%
Global Equity	6.50%
Real Estate	5.90%
Alternatives	8.20%
Opportunistic Fixed Income	5.00%
Inflation Sensitive	2.70%

The information in the preceding table is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset, liability and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2023 is 0.78%.

Actuarial valuations of the plans involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial assumptions used for RHBF are consistent with those used to value the pension benefits of the TSERS where appropriate. These assumptions are based on the most recent pension valuations available. The discount rate used for RHBF reflects a pay-as-you-go approach.

Projections of benefits for financial reporting purposes of the plans are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The RHBF is funded solely by employer contributions and benefits are dependent on membership requirements.

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 6 - OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Actuarial Assumptions (Continued)

The actuarial methods and assumptions used for DIPNC include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Prior to July 1, 2019, employers received a reimbursement from DIPNC for employer costs, including the employer's share of the State Health Plan premiums, incurred during the second six months of the first year of a member's short-term disability coverage. With the elimination of the reimbursement to employers, State Health Plan premiums are no longer reimbursed by DIPNC for the benefits that were effective on or after July 1, 2019.

The actuarial assumptions used in the December 31, 2022 valuations were generally based on the results of an actuarial experience study prepared as of December 31, 2019, as amended for updates to certain assumptions (such as medical claims and medical trend rate assumptions) implemented based on annual reviews that have occurred since that experience study.

Discount Rate

The discount rate used to measure the total OPEB liability for RHBF was 3.65% at June 30, 2023 compared to 3.54% at June 30, 2022. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments to current plan members. As a result, a municipal bond rate of 3.65% was used as the discount rate used to measure the total OPEB liability. The 3.65% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2023.

The discount rate used to measure the total OPEB liability for DIPNC was 3% at June 30, 2023 compared to 3.08% at June 30, 2022. The projection of cash flow used to determine the discount rate assumed that contributions from plan members would be made at the current contribution rate and that contributions from employers would be made at statutorily required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was not projected to be available to make all projected future benefit payments to the current plan members. In order to develop the blended discount rate of 3%, 3% was used during the period that the plan was projected to have a fiduciary net position, and a municipal bond rate of 3.65% was used during the period that the plan was projected to have no fiduciary net position. The 3.65% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2023.

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 6 - OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the plans at June 30, 2023, as well as what the plans' net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate (dollars in thousands):

RHBF net OPEB liability

1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
\$292,348	\$247,733	\$211,478

DIPNC net OPEB liability

1% Decrease (2%)	Current Discount Rate (3%)	1% Increase (4%)
\$362	\$301	\$239

Sensitivity of the Net Pension Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the plans, as well as what the plans' net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage-point higher than the current healthcare cost trend rates:

RHBF net OPEB Liability

1% Decrease (Medical - 4.0 - 5.5% Pharmacy - 4.0 - 9.0% Pharmacy Rebate - 4.0 - 6.0% Med. Advantage - 0.0 - 4.0% Administrative - 2.0%)	Current Healthcare Trend Rate (Medical - 5.0 - 6.5% Pharmacy - 5.0 - 10.0% Pharmacy Rebate - 5.0 - 7.0% Med. Advantage - 0.0 - 5.0% Administrative - 3.0%)	1% Increase (Medical - 6.0 - 7.5% Pharmacy - 6.0 - 11.0% Pharmacy Rebate - 6.0 - 8.0% Med. Advantage - 0.0 - 6.0% Administrative - 4.0%)
\$204,526	\$247,733	\$303,448

Effective with the actuarial valuation as of December 31, 2021, the liability for the State's potential reimbursement of costs incurred by employers was removed because the reimbursement by DIPNC was eliminated for disabilities occurring on or after July 1, 2019. Thus the sensitivity to changes in the healthcare cost trend rates is not applicable for DIPNC.

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 6 - OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Board recognized other postemployment benefits expense of \$(33,854). At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Employer Balances of Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits Plans by Classification

	RHBF		DIPNC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 2,728	\$ 243	\$ 263	\$ 166
Changes of assumptions	26,837	66,093	22	51
Net difference between projected and actual earnings on OPEB plan investments	1,979	-	393	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	52,113	140,305	258	84
Contributions subsequent to the measurement date	24,450	-	377	-
	<u>\$ 108,107</u>	<u>\$ 206,641</u>	<u>\$ 1,313</u>	<u>\$ 301</u>

The amount reported as deferred outflows of resources of \$24,450 and \$377 related to RHBF and DIPNC, respectively, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHBF and DIPNC will be recognized in other postemployment benefit expense as follows:

Years Ending June 30:	RHBF	DIPNC
2025	\$ (37,213)	\$ 230
2026	(38,952)	170
2027	(20,890)	147
2028	(25,929)	60
2029	-	22
Thereafter	-	6
	<u>\$(122,984)</u>	<u>\$ 635</u>

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 6 - OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amount of the Employer's Balance of Deferred Outflows of Resources that will be Included as a Reduction of the Net Other Postemployment Benefits Liability in the Fiscal Year Ending June 30, 2025:

	<u>RHBF</u>	<u>DIPNC</u>
Deferred Outflow Amount	<u>\$ 24,450</u>	<u>\$ 377</u>

Changes in Long-Term Liabilities and Assets

	<u>RHBF</u>	<u>DIPNC</u>	<u>DIPNC</u>
	<u>Net OPEB</u>	<u>Net OPEB</u>	<u>Net OPEB</u>
	<u>Liability</u>	<u>Asset</u>	<u>Liability</u>
Balance July 1, 2023	<u>\$ 337,920</u>	<u>\$ -</u>	<u>\$ 443</u>
Additions	<u>-</u>	<u>-</u>	<u>-</u>
Deletions	<u>(90,187)</u>	<u>-</u>	<u>(142)</u>
Balance, June 30, 2024	<u>\$ 247,733</u>	<u>\$ -</u>	<u>\$ 301</u>
Due within one year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 - RIGHT-TO-USE LEASED ASSETS AND RELATED LEASE LIABILITIES

The Board has a lease providing the right-to-use office space for a term of five years beginning October 1, 2020 and ending September 30, 2025. The lease requires monthly payments of \$1,969 which increase at a rate of 3% annually. The Board has the option to renew the lease for an additional three year period. The prior lease ended on October 31, 2020.

Lease expenses were comprised of the following:

	<u>2024</u>	<u>2023</u>
Amortization expense by class of underlying asset		
Office space	<u>\$ 23,143</u>	<u>\$ 23,143</u>
Interest on lease liabilities	<u>\$ 1,481</u>	<u>\$ 2,238</u>

Right-to-use leased assets activity:

	<u>6/30/2023</u>	<u>Additions</u>	<u>Subtractions</u>	<u>6/30/2024</u>
Office space	<u>\$ 115,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,714</u>
Less: Accumulated amortization	<u>(63,643)</u>	<u>(23,143)</u>	<u>-</u>	<u>(86,786)</u>
Right-to-use assets, net	<u>\$ 52,071</u>	<u>\$ (23,143)</u>	<u>\$ -</u>	<u>\$ 28,928</u>
	<u>6/30/2022</u>	<u>Additions</u>	<u>Subtractions</u>	<u>6/30/2023</u>
Office Space	<u>\$ 115,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,714</u>
Less: Accumulated amortization	<u>(40,500)</u>	<u>(23,143)</u>	<u>-</u>	<u>(63,643)</u>
Right-to-use assets, net	<u>\$ 75,214</u>	<u>\$ (23,143)</u>	<u>\$ -</u>	<u>\$ 52,071</u>

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS

Notes to Financial Statements

NOTE 7 - RIGHT-TO-USE LEASED ASSETS AND RELATED LEASE LIABILITIES (Continued)

Lease liabilities were comprised of the following:

	<u>6/30/2023</u>	<u>Additions</u>	<u>Subtractions</u>	<u>6/30/2024</u>
Office space	<u>\$ 56,483</u>	<u>\$ -</u>	<u>\$ (24,147)</u>	<u>\$ 32,336</u>
	<u>6/30/2022</u>	<u>Additions</u>	<u>Subtractions</u>	<u>6/30/2023</u>
Office Space	<u>\$ 79,126</u>	<u>\$ -</u>	<u>\$ (22,643)</u>	<u>\$ 56,483</u>

Future lease payments are comprised of the following:

<u>Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2025	\$ 25,724	\$ 672	\$ 26,396
2026	6,612	36	6,648
	<u>\$ 32,336</u>	<u>\$ 708</u>	<u>\$ 33,044</u>

NOTE 8 - RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; injuries to employees; and natural disasters. Tort claims of Board members are self-insured by the State under the authority of the State Tort Claims Act. Additional coverage is provided to the Board under the State's public officers' and employees' liability insurance contract with a private insurance company. The Board also protects itself from exposures to loss through the purchase of commercial insurance, of which coverage includes building and contents, commercial liability, directors' and officers' liability, workers' compensation and employers' liability.

NOTE 9 - CONTINGENT LIABILITIES

The Board is involved in a number of disciplinary hearings throughout the year which arise in the ordinary course of its operations. In the opinion of management, the results of such actions during the years under audit do not materially affect the financial position of the Board at year-end.

NOTE 10 - RELATED PARTY TRANSACTION

The Board pays fees to a family member of its staff related for janitorial services which totaled \$4,550 and \$4,200 for the fiscal years ended June 30, 2024 and 2023, respectively.

NOTE 11 - SUBSEQUENT EVENTS

Management of the Board evaluated subsequent events through October 21, 2024, which is the date the financial statements were available to be issued. Management discovered no other subsequent events which should be disclosed other than noted below.

The audit was conducted in approximately 90 hours at a cost of \$19,500

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS
Proportionate Share of Net Pension Liability and Schedule of Board Contributions
Teachers' and State Employees' Retirement System
Years Ended June 30, 2024 and 2023

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportionate share percentage of the net pension liability (asset)	0.00133%	0.00171%	0.00162%	0.14400%	0.00156%	0.00160%	0.00156%	0.00219%	0.00186%	0.00244%
Proportionate share of the net pension liability (asset)	\$ 221,737	\$ 253,802	\$ 75,858	\$ 173,981	\$ 161,725	\$ 159,297	\$ 123,777	\$ 201,284	\$ 68,545	\$ 28,607
Covered-employee payroll	\$ 342,440	\$ 314,445	\$ 311,908	\$ 288,643	\$ 268,739	\$ 258,600	\$ 267,463	\$ 257,594	\$ 336,862	\$ 393,430
Proportionate share of net pension liability (asset) as a percentage of its covered-employee payroll	64.75%	80.71%	24.32%	60.28%	60.18%	61.60%	46.28%	78.14%	20.35%	7.27%
Plan fiduciary net position as a percentage of the total pension liability	82.97%	84.14%	94.86%	85.98%	87.56%	87.61%	87.32%	87.32%	94.64%	98.24%
Contributions:										
Contractually required contribution	\$ 80,063	\$ 72,004	\$ 67,233	\$ 57,571	\$ 47,897	\$ 48,039	\$ 43,067	\$ 39,938	\$ 50,789	\$ 82,935
Contributions in relation to the contractually required contribution	80,063	72,004	67,233	57,571	47,897	48,039	43,067	39,938	50,789	82,935
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 342,440	\$ 314,445	\$ 311,908	\$ 288,643	\$ 268,739	\$ 258,600	\$ 267,463	\$ 257,594	\$ 336,862	\$ 393,430
Contributions as a percentage of covered-employee payroll	23.38%	22.90%	21.56%	19.95%	17.82%	18.58%	16.10%	15.50%	15.08%	21.08%

**Information for periods prior to the implementation of GASB 68 is unavailable and will be completed for each year going forward as information becomes available.*

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS
Proportionate Share of Net OPEB Liability and Schedule of Board Contributions
Retiree Health Benefit Fund and Disability Income Plan of North Carolina
Years Ended June 30, 2024 and 2023

	2024	2023	2022	2021	2020	2019	2018
Retiree Health Benefit Fund							
Proportionate share percentage of collective net OPEB liability (asset)	0.00093%	0.00142%	0.00123%	0.00120%	0.00134%	0.00136%	0.00146%
Proportionate share of collective net OPEB liability (asset)	\$ 247,733	\$ 337,920	\$ 380,225	\$ 331,839	\$ 424,621	\$ 387,347	\$ 478,866
Covered-employee payroll	\$ 342,440	\$ 314,445	\$ 311,908	\$ 288,643	\$ 268,739	\$ 258,600	\$ 396,614
Net OPEB liability as a percentage of covered payroll	72.34%	107.47%	121.90%	114.97%	158.00%	149.79%	120.74%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	10.73%	10.58%	7.72%	6.92%	4.40%	4.40%	3.52%
Disability Income Plan of North Carolina							
Proportionate share percentage of collective net OPEB liability (asset)	0.00113%	0.00149%	0.00143%	0.00124%	0.00134%	0.00138%	0.00136%
Proportionate share of collective net OPEB liability (asset)	\$ 301	\$ 443	\$ (234)	\$ (610)	\$ (578)	\$ (419)	\$ (831)
Covered-employee payroll	\$ 342,440	\$ 314,445	\$ 311,908	\$ 288,643	\$ 268,739	\$ 258,600	\$ 396,614
Net OPEB liability as a percentage of covered payroll	0.09%	0.14%	-0.08%	-0.21%	-0.22%	-0.16%	-0.21%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	90.61%	90.34%	-105.18%	-115.57%	-113.00%	-108.47%	-116.23%

**Information for periods prior to the implementation of GASB 75 is unavailable and will be completed for each year going forward as information becomes available.*

NORTH CAROLINA BOARD OF BARBER AND ELECTROLYSIS EXAMINERS
Schedule of Changes in the Total OPEB Liability and Related Ratios
Years Ended June 30, 2024 and 2023

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	2,582	2,843	(4,237)	(12,239)	(20,815)	(25,757)	(34,108)
Changes of assumptions or other inputs	(92,911)	(44,471)	52,999	(80,575)	57,930	(65,350)	(343,694)
Benefit payments	-	-	-	-	-	-	-
Net change in total OPEB liability	(90,329)	(41,628)	48,762	(92,814)	37,115	(91,107)	(377,802)
Total OPEB - beginning	338,363	379,991	331,229	424,043	386,928	478,035	855,837
Total OPEB - ending	<u>\$ 248,034</u>	<u>\$ 338,363</u>	<u>\$ 379,991</u>	<u>\$ 331,229</u>	<u>\$ 424,043</u>	<u>\$ 386,928</u>	<u>\$ 478,035</u>
Covered-employee payroll	\$ 342,440	\$ 314,445	\$ 311,908	\$ 288,643	\$ 268,739	\$ 258,600	\$ 396,614
Total OPEB liability as a percentage of covered-employee payroll	72.43%	107.61%	121.83%	114.75%	157.79%	149.62%	120.53%

**Information for periods prior to the implementation of GASB 75 is unavailable and will be completed for each year going forward as information becomes available.*