

State Board of Embalmers and Funeral Directors

Senate Finance and Financial Institutions Committee

Carol Robison, Budget Analyst

Legislative Service Commission

April 23, 2003

Revised

*Additional copies are available on our website at www.lsc.state.oh.us
Click on 'Fiscal Publications' then 'Ohio Budget'*

LSC Redbook
for the
State Board of Embalmers and Funeral Directors

Senate Finance and Financial Institutions Committee

Carol Robison, Budget Analyst
Legislative Service Commission

TABLE OF CONTENTS

Overview.....	A1
Analysis of Executive Proposal.....	A2
Additional Facts and Figures.....	A3
Permanent and Temporary Law	A4
Requests Not Funded.....	A5
Catalog of Budget Line Items	COBLI 1

***Attachments: Compare Document: Permanent and Temporary Law, As
Introduced to As Passed by the House***

LSC Budget Spreadsheet, Executive to House Comparison

April 23, 2003

<p>Note: The estimated General Revenue Fund (GRF) spending for FY 2003 used in this LSC Redbook reflects the 2.5% reduction made as a result of the Governor's January 22, 2003 budget cut order. The executive reduction was applied across-the-board to FY 2003 GRF appropriations, subject to certain exceptions. Subsequent to such reductions (and not reflected in the Redbook), state agencies were permitted to reallocate the amount that each of their GRF appropriation line items was reduced, while still absorbing the 2.5% budget cut within the total amount of their GRF appropriations.</p>

Board of Embalmers and Funeral Directors

- Executive recommendation \$563,639 in FY 2004; \$594,870 in FY 2005
- Fee increases are proposed for each of the exam and license types that the Board manages

OVERVIEW

Embalmers have been licensed in the state since 1902. Beginning in 1933 funeral directors were required to be licensed. In 1984 Ohio required funeral homes also to be licensed. Most recently, crematories were added to the umbrella of licensees and facilities regulated by the Board of Embalmers and Funeral Directors. Currently the Board licenses 7,342 embalmers, funeral directors, facilities, and others in the profession.

The Board of Embalmers and Funeral Directors renews its licenses on an annual basis. Revenues and expenditures for FY 2002 were \$536,688 and \$475,335, respectively. The Board's net gain from the last renewal cycle was \$61,353.

Fee increases are proposed for each of the exam and license types that the Board oversees. Fee increases will produce revenue needed for the Board to continue meeting its responsibility for maintaining a standard of competency in the industry and to offset the increase in expenses in FY 2003, primarily for information technology services provided by the Central Service Agency to the Boards.

ANALYSIS OF EXECUTIVE PROPOSAL

Board of Embalmers and Funeral Directors

Purpose: License and regulate the professions of embalmer and funeral director and facilities including funeral homes and crematories.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
4K9	881-609	Operating Expenses	\$563,639	\$594,870
Total funding: Board of Embalmers and Funeral Directors			\$563,639	\$594,870

Board of Embalmers and Funeral Directors

Program Description: In accordance with Chapter 4717. of the Revised Code, the Board of Embalmers and Funeral Directors licenses and regulates embalmers, funeral directors, funeral homes, and crematories and resolves complaints against any of those who are regulated.

Funding Source: GSF Fund 4K9. Currently, all revenue from the 24 occupational licensing boards is placed in Fund 4K9 and then reallocated to each board. Each board must raise enough revenue through its license fees to cover its expenses.

Line Item: 881-609, Operating Expenses

Implication of the Executive Recommendation: The Executive proposal includes a recommended appropriation of \$563,639 in FY 2004, which represents an increase of 5.6% over the FY 2003 estimated expenditures, and \$594,870 for FY 2005, an increase of 5.5% from FY 2004. The Board requested appropriations of \$585,715 for FY 2004 and \$625,241 for FY 2005.

The executive recommendation is \$22,076 less than the agency request for FY 2004 and \$30,371 less than the agency request for FY 2005. The Executive recommendation is based on needed funding levels for the current staff only. The Board submitted a supplemental request for one new full-time employee, the appropriation necessary to add health insurance for one current board member (who pays their own costs), and the upgrade of one position.

ADDITIONAL FACTS AND FIGURES

Program Series/Division	2000	2001	2002	2003	2004	2005
Board Members	7	7	7	7	7	7
Administrative Staff	3	3	3	3	3	3
Investigators	2	2	2	2	2	2
Totals	12	12	12	12	12	12

Number of Licensees

License Type	FY 2002
Funeral Homes	1,261
Funeral Directors	3,194
Embalmers	2,455
Embalmer Registration	64
Funeral Director Registration	100
Embalmer Apprentice	70
Funeral Director Apprentice	129
Crematory	69
Embalming Facility	0
Total	7,342

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the Board's activities and spending decisions during the next biennium.

Permanent Law Provisions

Fee Increases (R.C. section 4717.07)

Fee increases are shown in the table below. A total of \$109,740 of additional fee revenue is estimated per year. The Board believes it would be able to offset new and higher expenses for information technology services from revenue through a fee increase.

Current and Proposed License Renewal Fees

Description	Current Fee	Proposed Fee	Increase Amt/Fee	Fund	Quantity (as of FY 2002)	Revenue Increase
Funeral Director & Embalmer – Renewal (biennial renewal – biennial increase estimated to be \$112,980, and annual increase estimated at \$56,490)	\$120	\$140	\$20	4K9	5649	56,470
Embalmer & Funeral Director – Initial	\$5	\$140	\$135	4K9	149	\$20,115
Funeral Home – Initial	\$125	\$250	\$125	4K9	103	\$12,875
Crematory – Initial	\$100	\$200	\$100	4K9	Unknown	\$0
Funeral Director & Embalmer – Registration	\$25	\$100	\$75	4K9	164	\$12,300
Funeral Director & Embalmer – Apprentice Certificate	\$10	\$50	\$40	4K9	199	\$7,960
Total Annual Increase						\$109,740

REQUESTS NOT FUNDED

The Board requested supplemental funding in the amounts of \$52,174 for FY 2004 and \$91,700 for FY 2005. Supplemental funding would support monthly board meetings, cover inspectors' travel expenses and board operations in FY 2005, add one investigator's assistant position (the first and only investigator assistant for the board), upgrade the position of Clerk 1 to the position of office assistant, increase the appropriations to allow for one board member's health insurance, and upgrade executive director. The Governor's recommendation does not fully fund these requests.

General Services Fund Group

4K9 881-609 Operating Expenses

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$429,744	\$439,420	\$475,335	\$533,541	\$563,639	\$594,870
	2.3%	8.2%	12.2%	5.6%	5.5%

Source: GSF: License fees are received by the board from embalmers and funeral directors. Fees are deposited into Fund 4K9.

Legal Basis: Sections 47 and 196 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This appropriation is used to support general operating expenses, including payroll, supplies, and equipment for the Board of Embalmers and Funeral Directors of Ohio. The board protects consumers by regulating the funeral services profession through the licensure of embalmers, funeral directors, funeral homes, crematories, and embalming facilities.

As Introduced

Subject: Fee Increases**R.C. 4717.07**

Increases license renewal fees as follows:

Funeral Director & Embalmer (renewal): Current Fee = \$120, Proposed Fee = \$140

Funeral Director & Embalmer (initial): Current Fee = \$5, Proposed Fee = \$140

Funeral Home (initial): Current Fee = \$125, Proposed Fee = \$250

Embalming Facility and Crematory (initial): Current Fee = \$100, Proposed Fee = \$200

Funeral Director & Embalmer (registration): Current Fee = \$25, Proposed Fee = \$100

Funeral Director & Embalmer (apprentice cert): Current Fee = \$10, Proposed Fee = \$50

Fiscal effect: Revenue gain of \$109,740 per year to the 4K9 Fund.

Subject: Exemption from Continuing Education**R.C. 4717.09**

Allows a licensee who has been an embalmer or funeral director for not less than fifty years and is not actually in charge of an embalming facility or funeral home to apply to the Board for an exemption from the continuing education requirement of twelve to thirty hours of educational programs every two years as a condition of renewal of their licenses.

Fiscal effect: None

As Passed by the House

R.C. 4717.07

Same as executive, but reinstates two of the fee types to the amount in current law. For the issuance of an embalmer or funeral director registration, the fee is \$25. For the filing of an embalmer or funeral director certificate of apprenticeship, the fee is \$10.

Fiscal effect: Decrease in proposed revenue gain of \$18,270, resulting in net revenue gain of \$91,470 from the executive proposal.

R.C. 4717.09

No change.

LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>Estimated 2003</i>	<i>As Introduced 2004</i>	<i>House Sub Bill 2004</i>	<i>% Change Est. 2003 to House 2004</i>	<i>As Introduced 2005</i>	<i>House Sub Bill 2005</i>	<i>% Change House 2004 to House 2005</i>
<i>FUN Embalmers and Funeral Directors, State Board of</i>									
4K9	881-609	Operating Expenses	\$533,541	\$ 563,639	\$ 563,639	5.6%	\$ 594,870	\$ 594,870	5.5%
General Services Fund Group Total			\$ 533,541	\$ 563,639	\$ 563,639	5.6%	\$ 594,870	\$ 594,870	5.5%
Total All Budget Fund Groups			\$ 533,541	\$ 563,639	\$ 563,639	5.6%	\$ 594,870	\$ 594,870	5.5%