

# **LSC Greenbook**

**Analysis of the Enacted Budget**

## **State Board of Embalmers and Funeral Directors**

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## **ATTACHMENT:**

Budget Spreadsheet By Line Item

# State Board of Embalmers and Funeral Directors

- Budget of approximately \$1.5 million over the biennium
- Approximately 1,300 licensed facilities statewide
- Approximately 8,100 total licenses and credentials in FY 2013

## OVERVIEW

### Agency Overview

The Board of Embalmers and Funeral Directors (FUN) is required to license and regulate embalmers, funeral directors, funeral homes, crematories, and embalming facilities throughout the state. The Board's governing body consists of seven members, five of whom must be licensed embalmers and practicing funeral directors. One of the five members must be knowledgeable in the area of cremation. The other two members represent the public. Day-to-day operations are overseen by an executive director who is appointed by the Board. In addition to the executive director, there are five full-time, permanent employees, including two inspectors, two administrative assistants, and one certification-licensure examiner.

### Appropriation Overview

The budget provides funding of \$737,000 in FY 2014, approximately 4.8% more than actual spending of \$736,765 on Board operations in FY 2013. The funding for FY 2015 is \$741,000, a 0.5% increase over the amount appropriated for FY 2014.

### Operating Revenues and Expenses

Table 1 shows FUN's revenue and expenditure history from FY 2007 to FY 2012, encompassing the last three complete renewal cycles. The Board renews licenses in odd-numbered fiscal years. Consequently, revenue intake exceeds operating expenses during renewal years. Correspondingly, income lags operating expenses in nonrenewal years. However, as is the case with most boards that renew on a two-year cycle, there is generally a net positive balance at the end of each cycle. For example, over the most recent FY 2011-FY 2012 renewal cycle, revenues were \$1,245,789 and expenditures were \$1,235,760, for a net balance of \$10,029.

<b>Table 1. Revenues and Expenditures, FY 2007 to FY 2012</b>						
	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
Revenues	\$1,170,624	\$88,114	\$1,164,020	\$60,918	\$1,155,139	\$90,650
Expenditures	\$589,582	\$572,159	\$597,323	\$514,189	\$629,707	\$606,053
<b>Net</b>	<b>\$581,042</b>	<b>-\$484,045</b>	<b>\$566,697</b>	<b>-\$453,271</b>	<b>\$525,432</b>	<b>-\$515,403</b>

### Licensing Fees

The Board is entirely supported by license fees and other receipts that are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90). H.B. 59 increased fees for four particular licenses issued by the Board: (1) the initial or biennial renewal of an embalmer's or funeral director's license, from \$140 to \$150, (2) the initial or biennial renewal of a license to operate a funeral home, from \$250 to \$350, (3) the initial or biennial renewal of a license to operate an embalming facility, from \$200 to \$350, and (4) the initial or biennial renewal of a license to operate a crematory facility, from \$200 to \$350. In addition to these fees, which are shown in Table 2 below, the budget establishes a cap on the fee for the reinstatement of a lapsed embalmer's or funeral director's license at \$1,000.

<b>Table 2. License Fees Under H.B. 59</b>	
<b>License</b>	<b>Fee (Increases in <i>italics</i>)</b>
Crematory	<i>\$350</i>
Duplicate License	<i>\$10</i>
Embalmer Apprentice	<i>\$10</i>
Embalmer Registration	<i>\$25</i>
Embalmer	<i>\$150</i>
Embalming Facility	<i>\$350</i>
Funeral Director Apprentice	<i>\$10</i>
Funeral Director Registration	<i>\$25</i>
Funeral Director	<i>\$150</i>
Funeral Home	<i>\$350</i>

## ANALYSIS OF ENACTED BUDGET

Appropriations for the Embalmers and Funeral Directors Board				
Fund	ALI and Name		FY 2014	FY 2015
<b>General Services Fund Group</b>				
4K90	881609	Operating Expenses	\$737,000	\$741,000

### Operating Expenses (881609)

Fund 4K90 line item 881609, Operating Expenses, is used to pay all of the Board's operating expenses, including payroll, supplies, and equipment. The budget provides funding of \$737,000 in FY 2014 and \$741,000 in FY 2015 for these purposes. The FY 2014 appropriation is 4.8% greater than FY 2013 spending of just over \$703,000, while the FY 2015 appropriation is 0.5% above that for FY 2014. The moderate increases in the Board's costs in recent years have been driven by various operating assessments charged by the Department of Administrative Services for rent, telecommunications, IT, mail, and printing, as well as an increase in travel costs related to investigations. In addition to the executive director, the Board employs five full-time staff: two inspectors, two administrative assistants, and one certification-licensure examiner.

### Licensing Statistics

Table 3 below shows the number of active individual licenses, facility licenses, and other credentials overseen by the Board in FY 2013, according to data from the state's e-licensing system. There were over 8,100 active credentials in FY 2013, with the largest category being the approximately 2,200 individuals holding both embalmer and funeral director licenses. The Board also oversaw over 1,100 funeral homes, 121 crematories, and four embalming facilities, and issued reciprocal licenses to 16 individuals (one embalmer, two funeral directors, and 13 with both licenses) who are also licensed to practice in another state.

Type of Credential	Count
<b>Individual Licenses</b>	
Embalmer	15
Embalmer – Reciprocal	1
Funeral Director	707
Funeral Director – Reciprocal	2
Dual Embalmer and Funeral Director	2,168
Dual Embalmer and Funeral Director – Reciprocal	13

<b>Table 3. Active Licenses and Credentials, FY 2013</b>	
<b>Type of Credential</b>	<b>Count</b>
<b>Facility Licenses</b>	
Embalming Facility	4
Funeral Home	1,168
Crematory	121
<b>Other Credentials</b>	
Continuing Education Exemption for Licensees with 50 Years Experience	91
Actually in Charge and Ultimately Responsibility for Embalming Facility	7
Actually in Charge and Ultimately Responsibility for Funeral Home	1,064
Certified Apprenticeship – Embalmer	1
Certified Apprenticeship – Funeral Director (One Year)	1
Certified Apprenticeship – Funeral Director (Two Year)	1
Crematory Operator	142
Facility Owner	1,118
Funeral Home Manager	1,398
Master	104
<b>Total</b>	<b>8,126</b>

### Investigation and Enforcement

In addition to licensing the funeral profession, the Board carries out inspections of funeral homes, crematories, and embalming facilities and investigates consumer complaints related to the funeral profession. Over the past five years, the Board's two inspectors have averaged about 380 inspections per year, including an average of 90 follow-up inspections to revisit facilities where violations were found. There are approximately 1,300 licensed facilities statewide. In FY 2013, the Board investigated 269 complaints against 107 facilities or individuals. Of the 269 total complaints, just over two-thirds (68%) involved three types of complaints. Unprofessional conduct accounted for 82 complaints, pre-need funeral contracts (including complaints about required annual reports for pre-need contracts) accounted for 66, and there were 35 complaints regarding continuing education. Overall, fines and forfeitures as a result of investigations and inspections totaled \$84,305 in FY 2013.

# FY 2014 - FY 2015 Final Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

			Appropriation	FY 2013 to FY 2014	Appropriation	FY 2014 to FY 2015		
			FY 2012	FY 2013	FY 2014	% Change	FY 2015	% Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: Enacted</b>					
<b>FUN State Board of Embalmers and Funeral Directors</b>								
4K90	881609	Operating Expenses	\$ 606,054	\$ 703,111	\$ 737,000	4.82%	\$ 741,000	0.54%
<b>General Services Fund Group Total</b>			<b>\$ 606,054</b>	<b>\$ 703,111</b>	<b>\$ 737,000</b>	<b>4.82%</b>	<b>\$ 741,000</b>	<b>0.54%</b>
<b>State Board of Embalmers and Funeral Directors Total</b>			<b>\$ 606,054</b>	<b>\$ 703,111</b>	<b>\$ 737,000</b>	<b>4.82%</b>	<b>\$ 741,000</b>	<b>0.54%</b>