

LSC Greenbook

Analysis of the Enacted Budget

State Board of Embalmers and Funeral Directors

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State Board of Embalmers and Funeral Directors

- Funding of \$741,000 for FY 2016 and \$771,000 for FY 2017
- Approximately \$75,000 collected in fines and recoveries in FY 2015
- Approximately 1,300 licensed facilities statewide

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 program administrators, and one certification-licensure examiner.

Appropriation Overview

The budget provides funding of \$741,000 in FY 2016, 4.3% more than actual spending of \$710,807 on Board operations in FY 2015. The amount appropriated for FY 2017 is \$771,000, or 4.1% more than the FY 2016 appropriation.

Operating Results

Table 1 below shows FUN's revenue and expenditure history over the last three complete biennial licensing cycles, covering the FY 2009-FY 2014 period. The Board renews licenses in odd-numbered fiscal years. This means that operating income from license fees and other sources exceeds operating expenses in renewal years, while the reverse is true in nonrenewal years. Typically, there is a net positive balance at the end of each cycle, although this was not the case during the FY 2013-FY 2014 renewal cycle. During that renewal cycle, revenues were \$1,324,587 and expenditures amounted to \$1,436,360, for a net balance of -\$111,773.

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$1,164,020	\$60,918	\$1,155,139	\$90,650	\$1,141,657	\$182,930
Expenditures	\$597,323	\$514,189	\$629,707	\$606,053	\$703,111	\$733,249
Net	\$566,697	-\$453,271	\$525,432	-\$515,403	\$438,546	-\$550,319

Fee Schedule

The Board is entirely supported by license fees and other receipts that are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90). Table 2 below shows the ten license types that the Board oversees and the associated fee.

License	Fee
Crematory	\$350
Embalmer Apprentice	\$10
Embalmer Registration	\$25
Embalmer	\$150
Embalming Facility	\$350
Funeral Director Apprentice	\$10
Funeral Director Registration	\$25
Funeral Director	\$150
Funeral Home	\$350
Courtesy Card Permit	\$150

ANALYSIS OF ENACTED BUDGET

Appropriations for the State Board of Embalmers and Funeral Directors				
Fund	ALI and Name		FY 2016	FY 2017
Dedicated Purpose Fund Group				
4K90	881609	Operating Expenses	\$741,000	\$771,000

Operating Expenses (881609)

Fund 4K90 line item 881609, Operating Expenses, is used to pay all of the Board's operating expenses. H.B. 64 provides funding of \$741,000 in FY 2016, 4.3% more than actual spending on Board operations for FY 2015. For FY 2017, funding is increased by \$30,000 (4.1%) to \$771,000. The FY 2017 increase will be used to cover increases in various operating assessments charged by the Department of Administrative Services for rent, telecommunications, IT, mail, and printing.

Licensing Statistics

Table 3 below shows the number of active licenses issued by the Board for the FY 2013-FY 2014 licensing cycle. Overall, the Board oversees ten license types. The vast majority of issuances are for just three license types: embalmers, funeral directors, and funeral homes. Together in FY 2014, these 6,322 licenses accounted for nearly 95.0% of active licenses. The number of active licenses overseen in FY 2014 was 6,665, a handful fewer than the 6,677 licenses overseen in FY 2013.

License Type	FY 2014	FY 2015	% Change
Crematory	127	137	7.9%
Embalmer Apprentice	42	52	23.8%
Embalmer Registration	46	53	15.2%
Embalmer	2,226	2,148	-3.5%
Embalming Facility	4	1	.75.0%
Funeral Director Apprentice	60	71	18.3%
Funeral Director Registration	63	84	33.3%
Funeral Director	2,930	2,809	-4.1%
Funeral Home	1,166	1,163	-0.3%
Courtesy Card Permit	0	6	-
TOTAL	6,665	6,534	-2.0%

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. In FY 2015, the Board's two inspectors conducted 1,127 inspections including 26 follow-up inspections to revisit facilities where violations were found. Over the past five years, the Board's inspectors have averaged about 760 inspections per year, including an average of 17 follow-up inspections annually. There are 1,323 licensed facilities statewide. In FY 2015, the Board investigated a total of 290 complaints against 186 facilities. Of these, about two-thirds involved three types of complaints. Unprofessional conduct accounted for 138 complaints involving 102 facilities, pre-need funeral contracts accounted for 28 cases associated with three facilities, and unlicensed funeral directing accounted for 12 cases at nine facilities. Overall, fines and recoveries as a result of investigations and inspections totaled \$75,350 in FY 2015.

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FY 2016 - FY 2017 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			FY 2014	FY 2015	Appropriation FY 2016	FY 2015 to FY 2016 % Change	Appropriation FY 2017	FY 2016 to FY 2017 % Change
Report For Main Operating Appropriations Bill			Version: As Enacted					
FUN State Board of Embalmers and Funeral Directors								
4K90	881609	Operating Expenses	\$ 733,249	\$ 710,807	\$ 741,000	4.25%	\$ 771,000	4.05%
Dedicated Purpose Fund Group Total			\$ 733,249	\$ 710,807	\$ 741,000	4.25%	\$ 771,000	4.05%
State Board of Embalmers and Funeral Directors Total			\$ 733,249	\$ 710,807	\$ 741,000	4.25%	\$ 771,000	4.05%