

**Greenbook**  
**LSC Analysis of Enacted Budget**

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**State Board of Embalmers  
and Funeral Directors**

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### **ATTACHMENT:**

Budget Spreadsheet By Line Item

# State Board of Embalmers and Funeral Directors

- Funding of \$791,253 for FY 2018 and \$843,973 for FY 2019
- More than \$28,000 collected in fines and recoveries in FY 2017
- Approximately 1,300 licensed facilities statewide

## OVERVIEW

### Agency Overview

The State 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. H.B. 49 requires five members to be licensed funeral directors. Under the bill, four of the funeral directors must also be licensed embalmers and one must hold a crematory operator permit which the bill creates. Under continuing law, the remaining 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. The Board receives no GRF funding and is entirely supported by fees and other receipts deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90).

### Appropriation Overview

The budget provides funding of \$791,253 for FY 2018, 6.0% more than actual spending of \$746,503 on Board operations in FY 2017. For FY 2019, the appropriated amount is \$843,973, 6.7% more than the FY 2018 appropriation.

### Budget Highlights

In addition to the changes made to the Board membership discussed above, H.B. 49 also made changes to the Board's oversight of preneed funeral contracts and crematory operators. Specifically, the bill creates two new fees. First, the bill requires the Board to impose a \$10 fee on the sale of each preneed funeral contract. Under the bill, this fee will be deposited to the credit of the Preneed Recovery Fund, a custodial fund created by the bill, and used by the Board to reimburse purchasers of preneed funeral contracts who have suffered financial loss as a result of the malfeasance, misfeasance, default, failure, or insolvency in connection with the sale of a preneed

funeral contract other than those funded by insurance policy assignment. The bill also creates a crematory operator permit, and requires a crematory operator to operate with a permit and a crematory facility to operate with a license. The crematory operator permit is \$100. Under continuing law, a crematory facility license is \$350. Both fees are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90). In addition to the new fees, the bill also makes changes affecting preneed funeral contracts, crematory operators and facilities, the disposition of human remains, and other changes.

### Operating Results

Table 1 below shows the Board's revenue and expenditure history over the last three complete biennial licensing cycles, covering the FY 2011-FY 2016 period. Licenses are renewed in odd-numbered fiscal years. Consequently, revenue intake exceeds operating expenses in renewal years but lags operating expenses in nonrenewal years, although there is usually a net positive balance at the end of each cycle. However, this was not the case during the FY 2013-FY 2014 renewal cycle, when revenues were \$1,324,587 and expenditures amounted to \$1,436,360, for a net balance of -\$111,773.

|              | FY 2011          | FY 2012           | FY 2013          | FY 2014           | FY 2015          | FY 2016           |
|--------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| Revenues     | \$1,155,139      | \$90,650          | \$1,141,657      | \$182,930         | \$1,308,217      | \$94,965          |
| Expenditures | \$629,707        | \$606,053         | \$703,111        | \$733,249         | \$710,807        | \$665,148         |
| <b>Net</b>   | <b>\$525,432</b> | <b>-\$515,403</b> | <b>\$438,546</b> | <b>-\$550,319</b> | <b>\$597,410</b> | <b>-\$570,183</b> |

### Fee Schedule

Table 2 below shows the license types that the Board oversees and the associated fee. H.B. 49 includes a requirement that crematory operators be permitted by the Board. The permit fee is set at \$100.

| License                                       | Fee   |
|---|-------|
| Crematory Facility                            | \$350 |
| Crematory Operator Permit (New under H.B. 49) | \$100 |
| 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 2018   | FY 2019   |
| <b>Dedicated Purpose Fund Group</b>                                   |              |                    |           |           |
| 4K90  | 881609       | Operating Expenses | \$791,253 | \$843,973 |

### Operating Expenses (881609)

Fund 4K90 line item 881609, Operating Expenses, is used to pay all of the Board's operating expenses. The appropriation is \$791,253 in FY 2018, 6.0% more than actual spending on Board operations for FY 2017. For FY 2019, funding is increased by 6.7% to \$843,973.

### Licensing Statistics

Table 3 below shows the number of active licenses issued by the Board for the FY 2015-FY 2016 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 2016, these 6,184 licenses accounted for nearly 93.9% of the 6,584 active licenses.

| License Type                  | FY 2015      | FY 2016      | % Change    |
|-------------------------------|--------------|--------------|-------------|
| Crematory                     | 137          | 135          | -1.5%       |
| Embalmer Apprentice           | 52           | 44           | -15.4%      |
| Embalmer Registration         | 63           | 53           | -15.9%      |
| Embalmer                      | 2,148        | 2,183        | 1.6%        |
| Embalming Facility            | 1            | 1            | 0.0%        |
| Funeral Director Apprentice   | 71           | 88           | 23.9%       |
| Funeral Director Registration | 84           | 72           | -14.3%      |
| Funeral Director              | 2,809        | 2,849        | 1.4%        |
| Funeral Home                  | 1,163        | 1,152        | -0.9%       |
| Courtesy Card Permit          | 6            | 7            | 16.7%       |
| <b>TOTAL</b>                  | <b>6,534</b> | <b>6,584</b> | <b>0.8%</b> |

### Investigation and Enforcement

The Board carries out inspections of funeral homes, crematories, and embalming facilities and investigates consumer complaints related to the funeral profession. In FY 2017, the Board's two inspectors conducted 1027 inspections among the 1,300 licensed facilities statewide and investigated 94 complaints against 74 of those facilities. Overall, fines and recoveries as a result of investigations and inspections totaled approximately \$28,400 in FY 2017.

# FY 2018 - FY 2019 Final Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

|   |        |                    | Appropriation              | FY 2017 to FY 2018 | Appropriation     | FY 2018 to FY 2019 |                   |              |
|---|--------|--------------------|----------------------------|--------------------|-------------------|--------------------|-------------------|--------------|
|   |        |                    | FY 2016                    | FY 2017            | FY 2018           | % Change           | FY 2019           | % Change     |
| <b>Report For Main Operating Appropriations Bill</b>        |        |                    | <b>Version: As Enacted</b> |                    |                   |                    |                   |              |
| <b>FUN State Board of Embalmers and Funeral Directors</b>   |        |                    |                            |                    |                   |                    |                   |              |
| 4K90  | 881609 | Operating Expenses | \$ 665,148                 | \$ 746,503         | \$ 791,253        | 5.99%              | \$ 843,973        | 6.66%        |
| <b>Dedicated Purpose Fund Group Total</b>                   |        |                    | <b>\$ 665,148</b>          | <b>\$ 746,503</b>  | <b>\$ 791,253</b> | <b>5.99%</b>       | <b>\$ 843,973</b> | <b>6.66%</b> |
| <b>State Board of Embalmers and Funeral Directors Total</b> |        |                    | <b>\$ 665,148</b>          | <b>\$ 746,503</b>  | <b>\$ 791,253</b> | <b>5.99%</b>       | <b>\$ 843,973</b> | <b>6.66%</b> |