

Greenbook

LBO Analysis of Enacted Budget

State Board of Embalmers and Funeral Directors

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State Board of Embalmers and Funeral Directors

Quick look...

- The State Board of Embalmers and Funeral Directors oversees more than 6,700 licensees, including approximately 1,300 funeral homes and crematories, and 4,700 funeral directors and embalmers.
- The budget contains a fee increase of \$50 for most licenses, and increases other licenses from either \$10 or \$25 to \$35.
- The budget provides funding of \$1,949,667 in FY 2020 and \$2,033,281 in FY 2021.
 - Included in this amount is new GRF funding of \$1.0 million in each fiscal year to reimburse local governments for the cost incurred in burying or cremating indigent people who have died.

Fund Group	FY 2018 Actual	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
General Revenue	\$0	\$0	\$1,000,000	\$1,000,000
Dedicated Purpose	\$752,659	\$890,720	\$949,667	\$1,033,281
Total	\$752,659	\$890,720	\$1,949,667	\$2,033,281
% change	--	18.3%	118.9%	4.3%
<i>GRF % change</i>	--	--	--	0.0%

Agency overview

The State Board of Embalmers and Funeral Directors (FUN) regulates those involved with the death care industry across Ohio, including embalmers, funeral directors, funeral homes, and operators of crematory and embalming facilities. The seven-member Board meets regularly to review applications, issue licenses, review continuing education programs, and keep up to date on issues affecting the funeral business. One of the Board's newest consumer protection functions is monitoring preneed funeral contracts and administering the Preneed Recovery Fund to compensate purchasers for losses they might have incurred due to fraud or business insolvency after buying a contract from a provider licensed by the Board. FUN also conducts disciplinary hearings stemming from complaints and investigations. Day-to-day operations are overseen by an executive director and five full-time staff, including two inspectors, two program administrators, and one certification-licensure examiner. As of July 2019, the Board employed seven full-time employees in addition to the seven appointed members who are compensated on a per diem basis.

Analysis of FY 2020-FY 2021 budget

Operating Expenses (ALI 881609)

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
DPF ALI 881609, Operating Expenses					
\$665,148	\$746,503	\$752,659	\$890,720	\$949,667	\$1,033,281
% change	12.2%	0.8%	18.3%	6.6%	8.8%

The Board's licensing operations are supported by license fees and other assessments that are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90) and appropriated under Fund 4K90 line item 881609, Operating Expenses. The budget appropriates approximately \$950,000 in FY 2020 and approximately \$1.0 million in FY 2021 for the Board's operating expenses during those fiscal years. The increased spending in the upcoming biennium is primarily related to the hiring of a new inspector to handle oversight of preneed funeral contracts and the crematory operator permit required under H.B. 49, the main operating budget for the FY 2018-FY 2019 biennium.

Fee increases

The Board's regulatory functions are supported by license fees and other receipts that are deposited into Fund 4K90. H.B. 166 includes a provision that raises most of these fees by \$50. The bill also increased the embalmer and funeral director apprentice fees from \$10 to \$35, and replaced the \$25 embalmer and funeral director registration fee with a certificate of apprenticeship to which a \$35 fee applies. FUN anticipates that these increases, along with a projected growth of 2.0% in the number of licenses issued, will result in revenue collection of approximately \$2.0 million over a full renewal cycle. The table below shows the nine license types that the Board oversees and the new fees that apply under H.B. 166.

License Fees by Type	
License Type	Fee
Crematory	\$400
Crematory Operator	\$150
Embalmer Apprentice	\$35
Embalmer	\$200
Embalming Facility	\$400
Funeral Director Apprentice	\$35
Funeral Director	\$200
Funeral Home	\$400
Courtesy Card Permit	\$200

Indigent Burial and Cremation Support (ALI 881500)

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 881500, Indigent Burial and Cremation Support					
\$0	\$0	\$0	\$0	\$1,000,000	\$1,000,000
% change	--	--	--	--	0.0%

The budget establishes new GRF appropriation item 881500, Burial and Cremation Support, and provides \$1.0 million in each fiscal year to reimburse local governments for the costs incurred in cremating or burying the deceased who are indigent. Under the program, reimbursements may not exceed \$750 for a child or \$1,000 for an adult. H.B. 166 gives the Board authority to adopt other rules that apply to the program.