



# State of Ohio Board of Embalmers and Funeral Directors

77 South High Street, 16<sup>th</sup> Floor, Columbus, OH 43215-6108 • Phone: (614) 466-4252 • Fax (614) 728-6825  
E-Mail: [oh.emb.bd@funeral.ohio.gov](mailto:oh.emb.bd@funeral.ohio.gov) • Website: [www.funeral.ohio.gov](http://www.funeral.ohio.gov)

## Testimony Before the Ohio Senate Finance Committee Fiscal Years 2012-2013 Budget Recommendations

Good afternoon Chairman Widener and Members of the Finance Committee, my name is Malik Hubbard, and I am the Executive Director of the Board of Embalmers and Funeral Directors.

The mission of the Board of Embalmers and Funeral Directors is to protect consumers and regulate the funeral profession by establishing a standard of competency through the licensure of embalmers, funeral directors, crematory facilities, embalming facilities and funeral homes.

The seven-member Board is comprised of five persons licensed as embalmers and funeral directors, one knowledgeable in the area of cremation. Two Board members represent the public, and one of the public members must be sixty years of age or older. The Board employs seven individuals: an executive director, two embalmer-funeral facility inspectors, two administrative assistants, one secretary and one certification-licensure examiner. The Board conducts monthly meetings to review applications, issue licenses, approve continuing education programs, review compliance issues, determine discipline, review reports and recommendations for hearings, and discuss issues involving funeral service.

The Board currently licenses; 2217 dual licensees, which means they are, licensed as embalmers and funeral directors, 725 funeral director only licensees and 12 embalmer only licensees. The Board also licenses facilities including 1173 funeral homes, 108 crematories and 3 embalming facilities through out the state.

Revenue is based on fees collected through registration, certification of apprenticeship, initial licensure, examinations and licensure renewal, of all which are deposited in Fund 4K9. Fund 4K9 has long term stability, and the Board is not dependent on the General Revenue Fund. In FY09 revenues totaled \$1,164,019, and in FY10 revenues totaled \$60,918 and are estimated to be \$1,100,000 in FY11, \$80,000 in FY12, and \$1,100,000 in FY13. The Board's revenue peaks during the biennial renewal period.

The Boards ongoing goal is to foster statewide collaborative solutions to optimize the value of the funeral profession and to provide leadership and guidance for consumers and

licensees. An important part of the Boards function is apprentice testing. The Board requires applicants to successfully pass a comprehensive examination and a laws examination. Mortuary school students, who plan to be licensed as embalmers and funeral directors, take the National Board Examination. This National examination is used in 49 states and is an assessment of content knowledge needed to practice as a licensed embalmer and/or funeral director and contains two separate sections; Funeral Service Arts and Funeral Service Science, both of which are computer based examinations, offered by the International Conference of Funeral Service Examining Board [Conference]. Ohio's funeral director only applicants must successfully pass the Funeral Service Arts examination and the Ohio Laws Examination through the Conference. The Conference certifies the scores to the Board. The Ohio Laws examination is a computer based examination which gives applicants more flexibility and is over all more secure. The rigorous curriculum and testing of applicants provides more competent funeral and/or embalmers to the profession and adds to the prestige of the Ohio funeral director and embalmer licenses.

The Board's staff has extensive knowledge of requirements specific to the funeral profession. Both Inspectors are licensed embalmers and funeral directors; therefore have the training and experience to deal with the complex issues of the funeral profession.

As a priority the Board's staff is constantly searching for better and more efficient methods to fulfill the mandated functions of licensing and regulation. The OHlicensing system allows the staff to meet a variety of complex and varying situations; responding to inquiries, guiding applicants through issues, resolving complaints and producing reports.

The Board's priorities include: guarantee quality standards, to license and regulate competent licensees and reliable facilities, making educational materials more accessible for consumers and licensees though the website, continuing to improve processes to resolve consumer complaints, create online forms for applications and documents, and continue development of item bank for computer-based examinations. It is imperative that the Board works at its most efficient level to provide needed services.

There have been some new developments after the time of the original budget proposal. As also noted in the LSC Redbook, during FY10 and FY11 the board has seen a steady increase in preneed complaints. Recently the Attorney General's office presented an opinion at the request of the Board regarding Senate bill 196 to provide more clarity in its intentions. Senate Bill 196 placed preneed contracts under the Board's jurisdiction. Senate Bill 196 not only requires the Board to be a repository for preneed contracts as in the past, the Board is obligated to provide oversight in how moneys deposited in preneed funeral contract trust funds are invested and provide a safeguard for ensuring that moneys held in those funds remain intact and available for funeral services and goods. Therefore authorizing the Board to investigate how a trustee invests moneys deposited in a preneed funeral contract trust fund. Senate Bill 196 contained many good consumer-oriented disclosures and processes; however did not provide funding to carry out this mandate. The Board does not have the staff or funding to review or audit the annual preneed reports. A staff person with experience in the area(s) of insurance and/or investments

would be needed to comply with current law. The Central Service Agency provided an estimate of cost of such person. This person would perhaps be classified as an AA3 employee which pay classification falls under the pay range of 12. This classification has an hourly rate of \$30.13 per hour and for this rate using current fringe assumptions (family health insurance) for FY12 and FY13, would cost \$89,819 in FY12 and \$91,079 in FY13.

Preneed, defined by the Ohio Revised Code as a written agreement, contract or series of contracts to sell or otherwise provide any funeral services, funeral goods, or any combination thereof, to be used in connection with the funeral or final disposition of a dead human body, where payment for the goods or services is made either outright or on an installment basis, prior to the death of the person purchasing them or for whom they are purchased. Only a funeral director licensed pursuant to Chapter 4717 of the Revised Code may sell a preneed funeral contract that includes funeral services.

At the current proposed recommended funding, it is possible the Board may not be able to continue to operate at current levels. The current recommendations for funding will create difficulty in providing current service levels for consumers and licensees. The LSC Red Book indicates an increase in expenditures from FY10 to expected expenditures in FY11 of 24%. The Board expenditures in FY10 were lower due to staffing; (1) the Board employs a part-time secretary because of lack of full-time funding, and the difference is \$31,226; (2) Board appointments took longer than expected and the Board was without one member per meeting, spending \$4,066 less in per diem and \$3,963 in travel than the appropriated amount that year. The Board's proposed increase in funding is also partly due to projected increases in the areas of facility rent by \$4233.56, cost of IT desktop services by \$3360, and cost of Central Service Agency services by \$842. After further review of proposed expenditures and making additional decreases in some areas, would bring the Board's current proposed budget levels down from the original proposed \$646,602 for FY12 and FY13 to \$607,677 for FY12 and 617,213 for FY13. These projected expenditures are without estimated cost of additional staff due to Senate Bill 196 requirements. Estimated expenditures including Senate Bill 196 requirements would total \$697,496 for FY12 and \$708,292 for FY13.

As a single program agency, the Board recognizes and understands the impact of personnel costs and maintenance services needed to continue at current service levels.

The Board appreciates your consideration, and respectfully requests the approval of our Budget Request for FY12-13 with the understanding of the additional requirements as addressed in my testimony today.

Sincerely,

Malik Hubbard  
Executive Director