



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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**18 VAC 65-20 – Regulations of the Board of Directors of Funeral Directors and Embalmers  
Department of Health Professionals  
March 30, 2006**

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### **Summary of the Proposed Regulation**

The Board of Funeral Directors and Embalmers (board) proposes to increase licensure fees for funeral service licensees and for funeral establishments.

### **Result of Analysis**

There is insufficient data to accurately compare the magnitude of the benefits versus the costs. Detailed analysis of the benefits and costs can be found in the next section.

### **Estimated Economic Impact**

Section 54.1-201.4 of the Code of Virginia grants regulatory boards under the Department of Health Professions (DHP) the authority to levy and collect fees sufficient to cover the expenses of a board. Section 54.1-2400.5 of the Code requires the board “To levy and collect fees for application processing, examination, registration, certification or licensure or the issuance of a multistate licensure privilege and renewal that are sufficient to cover all expenses for the administration and operation of the Department of Health Professions, the Board of Health Professions and the health regulatory boards.”

DHP projects the following deficits for the board if fees are not changed: \$5,472 at the conclusion of fiscal year 2006 (FY06), \$104,116 at the end of FY07, and \$210,104 at the end of FY08. In order to generate sufficient funds for operating expenses, the board proposes to raise fees as described in Table 1 below.

Table 1

<b>Category</b>	<b>Current</b>	<b>Proposed</b>
Funeral Service, Funeral Director or Embalmer License (initial)	\$150	\$275
Funeral Service, Funeral Director or Embalmer Lic. (renewal)	\$150	\$175
Funeral Service, Funeral Director or Embalmer Lic. (late fee)	\$50	\$60
Funeral Service, Funeral Director or Embalmer License (reinstatement)	\$150 +\$50 per year expired	\$275
Funeral Service Establishment License (initial)	\$225	\$500
Funeral Service Establishment License (renewal)	\$225	\$300
Funeral Service Establishment License (late fee)	\$50	\$100
Funeral Service Establishment License (reinstatement)	\$225 +\$50 per year expired	\$500
Surface Transportation & Removal Service Registration (initial)	\$250	\$300
Surface Transportation & Removal Service Reg. (renewal)	\$250	\$250
Surface Transportation & Removal Service Reg. (late fee)	\$50	\$85
Surface Transportation & Removal Service Reg. (reinstatement)	\$250 +\$50 per year expired	\$350
Courtesy Card (initial)	\$100	\$275
Courtesy Card (renewal)	\$100	\$175
Courtesy Card (late fee)	\$50	\$60
Courtesy Card (reinstatement)	\$100 +\$50 per year expired	\$275
Crematory (initial)	\$100	\$200
Crematory (renewal)	\$100	\$150

<b>Category</b>	<b>Current</b>	<b>Proposed</b>
Crematory (late fee)	\$50	\$50
Crematory (reinstatement)	\$100 +\$50 per year expired	\$225
Waiver of Full-time Manager Requirement (initial)	\$100	\$150
Waiver of Full-time Manager Requirement (renewal)	\$100	\$100
Waiver of Full-time Manager Requirement (late fee)	\$50	\$35
Reinstatement following suspension	Relevant Renewal Fee +\$50 per year expired	\$500
Reinstatement following revocation	Relevant Renewal Fee +\$50 per year expired	\$1,000
Change of Manager or Establishment Name	\$50	\$75
Duplicate Wall Certificates	\$25	\$60
Re-inspection for Change of Location or Ownership	\$100	\$300
Continuing Education Provider Approval (initial or renewal)	\$200	\$300
Continuing Education Provider Approval (late fee)	\$50	\$100
Review of Additional Courses for Approved Cont. Ed. Provider	\$250	\$300

DHP points out that without adequate funding, the licensing of practitioners could be delayed, and funeral services in the Commonwealth would be less accessible. In addition, sufficient funding is essential to carry out the investigative and disciplinary activities of the board in order to protect public health and safety. Thus there are both clear benefits and clear

costs introduced by the fee increases. It is not clear whether or not the benefits exceed the costs. Since regulation of professions is not a market good, there is not an obvious market price at which speedier license processing and disciplinary investigations are valued.

### **Businesses and Entities Affected**

The proposed regulations affect the 1,454 funeral service providers, 119 funeral directors, 6 embalmers and 470 funeral establishments licensed in the Commonwealth, as well as their clients. Approximately 320 to 340 of the funeral establishments would be considered small businesses. The rest are establishments that are owned by large, national or international corporations. In addition, other licensees or regulated entities affected by these regulations that would be considered small businesses would include: 70 crematories, 101 courtesy card holders, 34 surface removal and transportation businesses, and 31 continuing education provider.

### **Localities Particularly Affected**

The proposed amendments potentially affect localities throughout Virginia.

### **Projected Impact on Employment**

The proposed fee increases are unlikely to significantly affect employment.

### **Effects on the Use and Value of Private Property**

The proposed fee increases will slightly decrease the value of licensees' businesses.

### **Legal Mandate**

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such

economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.