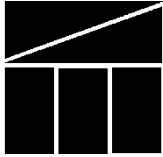


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



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

18 VAC 65-20 Regulations of the Board of Funeral Directors and Embalmers
Department of Health Professions
Town Hall Action/Stage: 5105 / 8360
September 14, 2018

Summary of the Proposed Amendments to Regulation

Pursuant to Chapter 186 of the 2018 General Assembly,¹ the Board of Funeral Directors and Embalmers (Board) proposes to establish requirements for students assisting with embalming at licensed funeral establishments.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Practical experience in embalming is a required part of obtaining a degree in mortuary science. Currently, such practical experience can only be obtained at the two mortuary education programs in the Commonwealth: John Tyler Community College and Tidewater Community College.

Chapter 186 established that “a person who is duly enrolled in a mortuary education program in the Commonwealth may assist in embalming while under the immediate supervision of a funeral service licensee or embalmer with an active, unrestricted license issued by the Board, provided that such embalming occurs in a funeral service establishment licensed by the

¹ See <http://leg1.state.va.us/cgi-bin/legp504.exe?181+ful+CHAP0186>

Board and in accordance with regulations promulgated by the Board.” In this action, the Board establishes rules by which this can happen.

This is beneficial in that it potentially provides the opportunity for mortuary students to have a greater range of experience in embalming, thus better preparing them to practice as a funeral service licensee. Also, according to the Department of Health Professions (DHP), the quality of available cadavers would typically be higher at funeral service establishments compared to those available to the community colleges.

Further, there may be significant cost savings to the mortuary school programs at the community colleges. One community college reported that it “will cut budget costs for the practical embalming component that is required by accrediting agency. Our programs spends \$2,100 per cadaver for the cadaver, transportation and cremation which equates to about \$80,000 per academic year.”² Through the enabling legislation and subsequent regulations, the program estimates that those costs will be cut in half.

Businesses and Entities Affected

According to DHP, there are 437 licensed funeral establishments that could potentially serve as a training site for student embalmers. All or most likely qualify as small businesses. There are two community colleges in the Commonwealth that have mortuary education programs.

Localities Particularly Affected

The proposed amendments do not disproportionately affect particular localities.

Projected Impact on Employment

The proposed amendments are unlikely to significantly affect total employment.

Effects on the Use and Value of Private Property

The proposed amendments may result in mortuary students assisting in licensed mortuary establishments. The value of these private businesses is unlikely to be significantly affected.

Real Estate Development Costs

The proposed amendments do not affect real estate development costs.

² Source: Department of Health Professions

Small Businesses:**Definition**

Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

Costs and Other Effects

The proposed amendments do not significantly affect costs for small businesses.

Alternative Method that Minimizes Adverse Impact

The proposed amendments do not adversely affect small businesses.

Adverse Impacts:**Businesses:**

The proposed amendments do not adversely affect businesses.

Localities:

The proposed amendments do not adversely affect localities.

Other Entities:

The proposed amendments do not adversely affect other entities.

Legal Mandates

General: The Department of Planning and Budget has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 14 (as amended, July 16, 2018). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

Adverse impacts: Pursuant to Code § 2.2-4007.04(C): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance within the 45-day period.

If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for

preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.