



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 65-20 – Regulations of the Board of Funeral Directors and Embalmers
Department of Health Professions
June 10, 2013

Summary of the Proposed Amendments to Regulation

The proposed changes will 1) eliminate the specific 40-hour a week requirement for a manager of record to be employed by a funeral establishment, 2) reduce the required advance notification time for submission of an application for a new establishment prior to opening, 3) allow a first-aid kit to be kept in a preparation room, and 4) clarify the requirements for compliance with certain federal health and safety standards.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

One of the proposed changes will eliminate the specific 40-hour a week requirement for a manager of record to be employed by a funeral establishment. According to the Department of Health Professions (DHP) the intent of the requirement for a full-time manager of record is to ensure that there is a person responsible to the Board of Funeral Directors and Embalmers (Board) for operation of the establishment at all times. Currently, regulations specify that “full-time” must be 40 hours per week. The proposed regulation would require that the manager must be employed “full-time” without specifying a number of hours. If a manager can be fully in charge and employed fulltime for a fewer number of hours per week, that would satisfy the proposed regulations. This change will allow more flexibility to the funeral establishments and their employees serving as the manager of record in determining the terms of their labor contract.

Another proposed change will reduce the required advance notification time for submission of an application for a new establishment prior to opening. Currently, a completed application must be on file at least 45 days prior to opening an establishment to allow for

scheduling and completing an inspection of the location by DHP. The proposed change will reduce the required advance notification from 45 days to 30 days. With this change, an applicant will have 15 additional days to have all of the required elements in place prior to an opening inspection. DHP does not anticipate any significant administrative difficulties due to shorter notifications.

The proposed changes will also allow a first-aid kit to be kept in a preparation room. Currently, a first-aid kit must be immediately accessible to the preparation room. According to DHP, the kit may be more useful if maintained in the preparation room. Thus, the proposed change will give an establishment an additional option to place a first aid kit. While this change provides additional flexibility to the establishments in conducting their operations, no significant economic impact is expected.

Finally, the proposed changes will clarify the requirements for compliance with federal Occupational Safety and Health Administration standards. No significant effect, other than improving the clarity of these regulations, is expected from this change.

Businesses and Entities Affected

These regulations apply to 1,439 funeral service providers, 426 funeral service establishments, 62 branch funeral establishments, 43 surface transportation and removal service providers, and 97 crematories.

Localities Particularly Affected

The proposed regulations apply throughout the Commonwealth.

Projected Impact on Employment

The proposed changes are not expected to have a significant direct impact on employment.

Effects on the Use and Value of Private Property

No significant effect on the use and value of private property is expected.

Small Businesses: Costs and Other Effects

According to DHP, while many of the affected establishments are small businesses, some are owned by large, national corporations. The economic effects discussed above apply to small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed changes do not impose any adverse impact on small businesses.

Real Estate Development Costs

No effect on real estate development costs is expected.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 14 (10). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, a determination of the public benefit, 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 an adverse effect on small businesses, Section 2.2-4007.04 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.