



**State of Ohio Board of
Embalmers and Funeral Directors**

Mike DeWine, Governor
Jon Husted, Lt. Governor

Cheryl Grossman, Executive Director

**Senate Health Committee
Embalmers and Funeral Directors Board
H.B. 110 SFY 2022-2023 Operating Budget
Cheryl Grossman, Executive Director
April 21, 2021**

Good morning Chair Huffman, Ranking Member Antonio and members of the Senate Health Committee. I am grateful for the opportunity to share an overview of the Embalmers and Funeral Directors Board (FUN Board) and our budget recommendations.

The Embalmers and Funeral Directors Board is the state regulatory agency providing oversight and regulation to the death care industry. Serving Ohio since 1902, the Board's mission is to protect consumers and regulate the profession by establishing standards through licensure of Embalmers, Funeral Directors, Crematory Operators, Funeral Homes, Embalming Facilities and Crematory Facilities. The goal of the Board is to provide quality services that benefit both consumers and licensees. The FUN Board regulates more than 7, 100 licensees and is comprised of seven members appointed by the Governor.

The Board and its staff work collectively to regulate nine license types. The Board meets monthly to conduct its committee meetings and general meeting. The topics include emerging issues related to the funeral industry, review proposed administrative rules, review applications, issue licenses, approve continuing education programs, discuss compliance related issues, take disciplinary action and conduct apprentice interviews. Selected members meet once a year with members of the Ohio Cemetery Dispute Resolution Commission to form the Crematory Review Board, providing oversight to crematory licensees. Our goal is to be the national leader to provide professional practice standards and licensure of those professions. The Board employs nine individuals: one Executive Director, one Certification Licensure Examiner, two Program Administrators, three Inspectors who are required to be licensed as a Funeral Director and Embalmer, one Preneed Compliance Administrator/Analyst, and one Administrative Professional who administers the Indigent Burial and Cremation Support Fund.

The budget funding for fiscal year 2022 is \$1,130,516. Funding for fiscal year 2023 is \$1,171,398 for a total biennium budget of nearly \$2,301,914. The FUN Board is supported through revenue generated from license applications and renewal fees. The FUN Board will receive \$2,000,000 from the State's General Revenue Fund to administer the Indigent Burial and Cremation Support Program. Revenue is generated through licensing fees collected through registration, certification of apprentices, initial licensure, biennial renewals and financial sanctions because of disciplinary action. As a non-GRF funded agency, all revenue collected by the Board is deposited into Fund 4K90. Applying the revenue from the most recent biennial renewal cycles, with a \$50 fee increase in seven license types in 2019, and projected licensee growth at two percent, the Board is projected to generate \$1.9 million in revenue from licensing during the 2020-2021 biennium. The total projected revenue amount of the 2020-2021 biennium is expected to be approximately \$2 million.

In 2017, AARP conducted a national survey and determined there was approximately \$25 billion in Preneed arrangements. The Board has experienced significant cases of fraud as it relates to Preneed funeral arrangements.

In response to this unfortunate situation, House Bill 49 included legislation targeting fraud. There are stringent rules that Funeral Directors must follow. The bill also included the Preened Recovery Fund, a consumer protection fund created to combat fraud. As a result, in 2019, the Board hired an additional employee who administers the Preened Recovery Fund and conducts random audits of Preened funeral contacts throughout the state. This position helps discover fraud, demonstrates to the profession we are serious about fraud and limits fraud in the future.

In 2019, the Indigent Burial and Cremation Support Program was approved in Ohio's FY2020-2021 General Operating Budget. The General Assembly transferred the responsibility of the administration of this program from the Department of Job and Family Services to the Ohio Embalmers and Funeral Directors Board. The bill included creation of a new general revenue fund (GRF) appropriation item for the Board to use to reimburse local government entities for the cost of providing burials or cremations to indigent deceased individuals. The line item appropriates one million dollars in each fiscal year for those purposes. There were no funds to support the administration of the program included in the appropriation. The Board was challenged to create and adopt rules, make available an application form and develop a mechanism to receive and review applications in a short period of time. The applications for this program have grown exponentially due to COVID-19, drug overdose and suicide deaths. Although the review and reimbursement process has experienced delays during 2020, the Board continues to provide reimbursement to eligible applications. An Administrative Professional has been hired to administer this program as well as supplement other duties for the Board.

We have also established a quarterly newsletter to all licensees to timely communicate the many ongoing changes during the COVID-19 Pandemic as well as to provide resources to our licensees.

Operational costs were reduced during the remaining four months of the 2019 fiscal year as the COVID-19 Pandemic spread across Ohio. The state response included mandatory reductions in state agency expenditures. The Board complied with directives to suspend travel, purchases of goods and services unrelated to mission-critical operations of the agency and our staff shifted to remote working.

I would close with sharing my appreciation for the opportunity to present the Ohio Embalmers and Funeral Directors Board's executive budget proposal to you today. The goal of our Board is to lead the nation in regulating and monitoring the death care industry to protect consumers and regulate the funeral profession and cremation services to ensure competency and ethical behavior.
