

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 643 (Senator Bates)
Education, Health, and Environmental Affairs

State Board of Morticians and Funeral Directors - Duties of the Executive
Director

This bill requires the executive director of the State Board of Morticians and Funeral Directors to manage the board's staff and perform administrative functions to carry out the powers and duties of the board as established under law. The bill prohibits the executive director from directly conducting inspections on behalf of the board.

The bill takes effect June 1, 2017.

Fiscal Summary

State Effect: No material effect in FY 2017. Special fund expenditures for the board increase by a minimal amount beginning in FY 2018 to hire contractual personnel to assist with conducting inspections. Potential minimal increase in special fund revenues beginning in FY 2018 to the extent that the board must increase fees to cover these expenditures, as discussed below.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law/Background: The primary purpose of the board is the protection of the public's health and welfare through proper credentialing; examination; licensure; and discipline of morticians, funeral directors, corporations, crematory operators, apprentices, surviving spouses, mortuary transport services, transporters, courtesy card holders, and

holders of an executor license in Maryland. The board also licenses, permits, and inspects funeral establishments and specified crematories for compliance with all applicable federal, State, and local laws, and it takes disciplinary action against such establishments where warranted. Additionally, the board audits pre-need contracts. The board employs four full-time staff: one executive director, one licensing chief, one health occupations inspector/investigator, and one office secretary to oversee licensing and inspection of 1,790 licenses, permits, and registrations.

The board is required to inspect funeral establishments and crematories on a biennial basis and upon change or sale of ownership of an establishment or crematory. Additionally, as a condition of licensure and permitting, funeral establishments and crematories must be in compliance with all applicable federal, State, and local laws. Thus, the board conducts opening inspections of both funeral establishments and crematories to ensure compliance. Although not required under statute or regulation, the board also conducts closing inspections for funeral establishments and crematories; this is now done as a “best practice” in response to several complaints of leftover remains and cremains. Conducting the closing inspections ensures protection of the public health and safety.

Mortuary transport service companies must provide evidence that all removal vehicles have passed board inspection prior to permitting, and all mortuary transport service vehicles must be inspected on a biennial basis. Since implementation of the mortuary transport service company regulations began, the board has held inspection days where mortuary transporters can bring vehicles to a geographically convenient location for vehicle inspections.

State Fiscal Effect: The number of active licenses, permits, and registrations issued by the board has increased by 627 since fiscal 2012, an expansion of approximately 54% over a four-year period. Board personnel resources have not been correspondingly increased. As a result, board staff has had to work significant overtime hours to keep pace. The board advises that the executive director and licensing chief have each worked more than 250 additional hours in the past year to complete assigned duties. The board inspector has also worked almost 150 additional hours in the past year. Despite being understaffed, the board has managed to issue and renew licenses, permits, and registrations in a timely manner; conduct required scheduled inspections and pre-need audits; and complete complaint investigations in a timely manner.

The board advises that the executive director has had to assist with opening and closing inspections because the sole board inspector cannot complete required biennial inspections of funeral establishments and crematories and vehicle inspections for registered mortuary transport services on the statutory schedule. The board advises that the executive director spends an estimated 10 hours per month conducting inspections. Often these inspections occur in tandem with already scheduled travel. For example, the executive director

inspects any facilities that are due for an inspection within a close geographic area while conducting continuing education courses or public outreach. Since the board has no capacity to absorb additional workload, special fund expenditures for the board increase beginning in fiscal 2018 to hire contractual personnel to complete required inspections. Although the exact increase in expenditures is unknown, it is likely minimal overall.

Through fiscal 2015, the board maintained a healthy fund balance (recommended to be between 20% and 30% of annual total board expenditures) despite an increasing workload. However, the board's overall revenues have not kept pace with expenditures and the board closed fiscal 2016 with no fund balance. Therefore, despite an anticipated minimal increase in special fund expenditures beginning in fiscal 2018, the board may need to increase fees to cover any increase in expenditures. To the extent that the board increases fees, special fund revenues increase beginning in fiscal 2018.

Small Business Effect: Many funeral establishments and crematories in the State are small businesses. To the extent that the board must increase fees to cover additional expenses related to inspections, licensure, permitting, and registration costs for small businesses increase, likely minimally.

Additional Information

Prior Introductions: SB 446 of 2015, a similar bill, received a hearing in the Senate Education, Health, and Environmental Affairs Committee, but was withdrawn. Its cross file, HB 193, received a hearing in the House Health and Government Operations Committee, but was withdrawn.

Cross File: HB 660 (Delegate Krebs, *et al.*) - Health and Government Operations.

Information Source(s): Department of Health and Mental Hygiene; Department of Legislative Services

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