

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1312-02  
Bill No.: HCS for HB 596  
Subject: Professional Registration and Licensing; Funerals and Funeral Directors; Boards, Commissions, Committees and Councils  
Type: Original  
Date: March 30, 2017

Bill Summary: This proposal modifies provisions relating to the State Board of Embalmers and Funeral Directors.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue Fund	(\$371,287)	(\$416,170)	(\$420,098)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$371,287)</b>	<b>(\$416,170)</b>	<b>(\$420,098)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Professional Registration Fund*	\$0	\$0	\$0
Board of Embalmers and Funeral Directors Fund	\$177,121	\$214,289	\$216,294
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$177,121</b>	<b>\$214,289</b>	<b>\$216,294</b>

\* Income and Expense net to zero.

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
General Revenue Fund	6 FTE	6 FTE	6 FTE
Board of Embalmers and Funeral Directors Fund	(3 FTE)	(3 FTE)	(3 FTE)
<b>Total Estimated Net Effect on FTE</b>	<b>3 FTE</b>	<b>3 FTE</b>	<b>3 FTE</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume the HCS for HB 596 transfers the responsibility of investigations, inspections and examinations or audits of books and records of preneed funeral agents from the State Board of Embalmers and Funeral Directors to the Division of Finance. Therefore, the duties of the staff currently conducting these duties will be transferred to the Division of Finance.

In order to implement the provisions of this bill, the Division of Finance is estimating this bill will require 1 Insurance Financial Analyst Specialist (\$47,868/ annually) , 2 Insurance Financial Analysts II (\$40,416/ annually and \$42,780/annually), 1 Investigator II (\$38,304/ annually), 1 Senior Office Support Assistant (\$26,340/ annually) and 1 Supervisor (\$55,000/ annually) to examine 330 sellers. Per Chapter 361 RSMo, bank assessment funds cannot be used for this purpose; therefore, general revenue funding would be required. The Department currently receives no General Revenue.

The Division of Professional Registration is estimating the following board-specific expenses to show a transfer of FTE from the State Board of Embalmers and Funeral Directors to the Division of Finance. It is assumed that 1 Insurance Financial Analyst Specialist and 2 Insurance Financial Analysts II will transfer to the Division of Finance to support the division regarding preneed investigations.

This fiscal note assumes that while the investigations, inspections and examinations or audits of books and records related to Chapter 436 transfer to the Division of Finance, the Board retains the authority to seek discipline of licensees based on the investigations, inspections and examinations performed by the Division of Finance. The board believes it can handle this remaining workload within existing appropriations and FTE. However, should the workload be more than anticipated; the department would need to request additional appropriation and/or FTE through the budget process.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>GENERAL REVENUE FUND</b>			
<u>Cost - DIFP</u>			
Personal Service	(\$208,923)	(\$253,215)	(\$255,747)
Fringe Benefit	(\$113,757)	(\$137,255)	(\$138,009)
Equipment and Expense	<u>(\$48,607)</u>	<u>(\$25,700)</u>	<u>(\$26,342)</u>
<u>Total Cost - DIFP</u>	<u>(\$371,287)</u>	<u>(\$416,170)</u>	<u>(\$420,098)</u>
FTE Change - DIFP	6 FTE	6 FTE	6 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$371,281)</u></b>	<b><u>(\$416,170)</u></b>	<b><u>(\$420,098)</u></b>
Estimated Net FTE Change on the General Revenue Fund	6 FTE	6 FTE	6 FTE
<b>PROFESSIONAL REGISTRATION FEE FUND</b>			
<u>Savings - DIFP</u>	\$167,516	\$202,720	\$204,437
Administrative cost paid to the Board of Embalmers and Funeral Directors Fund			
<u>Loss - DIFP</u>	<u>(\$167,516)</u>	<u>(\$202,720)</u>	<u>(\$204,437)</u>
Loss of Administrative Cost Reimbursement			
<b>ESTIMATED NET EFFECT ON PROFESSIONAL REGISTRATION FEE FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>BOARD OF EMBALMERS AND FUNERAL DIRECTORS FUND</b>			
<u>Savings - DIFP</u>			
Equipment and Expense	\$9,605	\$11,569	\$11,857
Administrative Cost Reimbursement (3 FTE)	<u>\$167,516</u>	<u>\$202,720</u>	<u>\$204,437</u>
<u>Total Savings - DIFP</u>	<u>\$177,121</u>	<u>\$214,289</u>	<u>\$216,294</u>
FTE Change - DIFP	(3 FTE)	(3 FTE)	(3 FTE)
<b>ESTIMATED NET EFFECT ON THE BOARD OF EMBALMERS AND FUNERAL DIRECTORS FUND</b>	<b><u>\$177,121</u></b>	<b><u>\$214,289</u></b>	<b><u>\$216,294</u></b>
Estimated Net FTE Change on the Professional Registration Fee Fund	(3 FTE)	(3 FTE)	(3 FTE)
<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

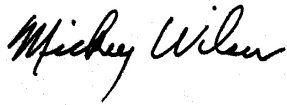
This bill transfers the responsibility of investigations, inspections and examinations or audits of books and records of preneed funeral agents from the State Board of Embalmers and Funeral Directors to the Division of Finance.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 1312-02  
Bill No. HCS for HB 596  
Page 6 of 6  
March 30, 2017

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial "M".

Mickey Wilson, CPA  
Director  
March 30, 2017

Ross Strope  
Assistant Director  
March 30, 2017