

TITLE 832 STATE BOARD OF FUNERAL AND CEMETERY SERVICE**Economic Impact Statement**

LSA Document #06-112

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**Estimated Number of Small Businesses Affected:**

NAICS 812210 Funeral Homes and Funeral Services: 678

NAICS 812210 Funeral Directors: 1728

NAICS 812210 Funeral Home with Crematorium: 3

NAICS 812210 Funeral Branch: 40

The types of small businesses most likely to be affected by the proposed rule are funeral homes and funeral directors.

Estimated Administrative Costs Imposed on Small Businesses

The proposed rules do not impose any new reporting, record keeping, or other administrative costs on small businesses.

Estimated Total Annual Economic Impact on Small Businesses

The following figures are based upon the number of applications for licensure and renewal applications received in 2005*:

Applications for licensure 2004 + 2005	#	Current application fee	Proposed Application fee	Biennial Revenue	Proposed revenue	Difference
Funeral Home	64	\$50	\$50	\$3,200	\$3,200	\$0
Funeral Home Branch	20	\$50	\$50	\$1,000	\$1,000	\$0
Director	94	\$40	\$40	\$3,760	\$3,760	\$0

Applications for renewal 2004 + 2005	#	Current renewal	Proposed Renewal fee	Biennial Revenue	Proposed Revenue	Difference
Funeral Home	577	\$50	\$50	\$28,850	\$28,850	\$0
Funeral Home Branch	17	\$50	\$50	\$850	\$850	\$0
Director	1,627	\$40	\$40	\$65,080	\$65,080	\$0

Justification of Requirements or Costs

The proposed rule changes will not increase or decrease the number of small businesses already affected by the current regulations. The proposed rules set the groundwork for outsourcing the licensing examination to a national provider, which will be of benefit to future applicants.

Consideration of Alternative Methods of Achieving the Purpose of the Proposed Rule

Since the rule provides no change in the amount of fees to be assessed funeral homes and funeral directors, with the exception of a reduction in the cost of applying for licensure by reciprocity and the possibility of an increase in the examination fee due to outsourcing the examination, the consideration of alternate compliance or reporting requirements or other operational standards was not appropriate. There are no new reporting or record keeping requirements for small businesses as a result of the proposed rule.

Explanation of Determination

The proposed rule does not amend the amount of the current fees assessed with the exception of a reduction in the cost of applying for licensure by reciprocity and the possibility of an increase in the examination fee due to outsourcing the examination. The proposed rules set the groundwork for outsourcing the licensing examination to a national provider, which will be of benefit to future applicants. The state would not realize an increase in revenue from the outsourcing of the examination as candidates will pay the examination vendor directly.

The operations of the funeral and cemetery service board are labor intensive with both inspections of facilities and cemeteries and the administration of examinations. Examinations are administered by staff approximately four times per year. The outsourcing the administration of the examinations will result in increased benefits including not only a savings of staff time, but also in the capability to provide applicants with the ability to take the examinations at sites located around the state with almost immediately availability of results. The time for obtaining license will be shortened. The board cannot implement these changes without amending its rules to

allow for payment of examination fees directly to the examination provider. The outsourced examination will cost more than the \$50 maximum fee allowable under the current rules. However, the increase will be more than offset by the convenience to applicants who will be able to take the exam in a location close to their home, thus saving on gasoline and hotel expenses for an overnight stay.

Supporting Data, Studies, or Analyses

None

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