



**Cemetery and Funeral Bureau Advisory Committee Member Orientation and Reference Manual** 

### **DEPARTMENT OF CONSUMER AFFAIRS**

### **CEMETERY AND FUNERAL BUREAU**



CEMETERY & FUNERAL B U R E A U

### MEMBER ORIENTATION AND REFERENCE MANUAL

FOR THE

### **ADVISORY COMMITTEE**

Governor Edmund G. Brown Jr. State of California

Alexis Podesta, Secretary Business, Consumer Services, and Housing Agency

> Dean R. Grafilo, Director Department of Consumer Affairs

Lisa M. Moore, Chief Cemetery and Funeral Bureau

January 2018

### **DEPARTMENT OF CONSUMER AFFAIRS**

### **MISSION**

We protect California consumers by providing a safe and fair marketplace through oversight, enforcement, and licensure of professions.

### **VISION**

Together, empowering California consumers.

### VALUES

- Accountability
- Communication
- > Diversity
- > Employees
- > Integrity
- > Leadership
- > Service
- > Transparency

### **CEMETERY AND FUNERAL BUREAU**

### **MISSION**

The Cemetery and Funeral Bureau advocates consumer protection and licensee compliance through proactive education and consistent interpretation and application of the laws governing the death care industry.

### **VISION**

Empowering California consumers to make informed end-of-life decisions in a fair and ethical marketplace.

### VALUES

- Accountability We accept personal responsibility for our actions, exemplifying high ethical standards, and always strive to improve our effectiveness.
- Collaboration We value partnerships. We foster the public's trust through open communication and work in a cooperative, respectful, and courteous manner.
- Fairness We treat people equally and make decisions without favoritism or prejudice.
- Trust We communicate with credibility and truthfulness. Our communications are open and authentic with all stakeholders.
- Compassion We employ empathy, integrity, respect, and understanding when serving consumers.

### CEMETERY AND FUNERAL BUREAU ADVISORY COMMITTEE INFORMATION

### **GENERAL OVERVIEW**

The Advisory Committee (Committee) is comprised of four (4) industry members and three (3) public members that encompass the following Cemetery and Funeral Bureau (Bureau) regulated activities: funeral establishments, funeral directors, embalmers, apprentice embalmers, private cemeteries, cemetery managers, cemetery brokers, cemetery salespersons, crematories, crematory managers, and cremated remains disposers.

### PURPOSE

The Committee is an informal group comprised of voluntary members who provide insight, information, and perspective to the Bureau on issues relating to the regulation of funeral establishments, funeral directors, embalmers, apprentice embalmers, private cemeteries, cemetery managers, cemetery brokers, cemetery salespersons, crematories, crematory managers, and cremated remains disposers in California. This Committee may make recommendations to the Bureau for consideration.

### **DEFINITIONS**

**Industry Member** refers to an individual who holds a current license, certificate, or registration from the Bureau or is a member of an association relating to a Bureau-regulated industry.

**Public Member** refers to an individual with a background in consumer protection, hospice, coroner employee, consumer advocacy group, or experience/involvement in a similar field.

### **DUTIES**

**The Committee's input is in an advisory capacity only.** The Committee is expected to provide important professional and technical assistance to the Bureau on issues related to the regulation of licensed funeral establishments, private cemeteries, and crematories in California. Specifically, the Committee, as directed by the Bureau, may be asked to provide input on the following functions:

- Perspectives on issues affecting consumers utilizing cemetery and funeral merchandise and services and the industries providing those goods and services;
- Outreach to the public/consumers, licensees, certificate holders, registrants, and the industry on cemetery- and funeral-related issues; and
- Viewpoints on the legislative, regulatory, and policy efforts impacting the cemetery and funeral industries.

### **TERM OF APPOINTMENTS**

The term of appointment for an Advisory Committee Member will be two years. However, the Bureau Chief (Chief) may elect to re-appoint a member or members to consecutive terms, not to exceed four years total.

### **REMOVAL OF MEMBERS**

All members of the Bureau's Advisory Committee serve at the pleasure of the Chief. The Chief may remove any member from the Committee at any time for disruptive or unprofessional behavior counterproductive to the orderly conduct of the business of the Committee.

Consistent attendance by members is vital to the success of the Committee's efforts. Members who miss two consecutive meetings without a reasonable excuse may be removed from the Committee at the discretion of the Chief.

### COMPENSATION FOR MEMBERS

The Advisory Committee is not established in statute; rather, it is a committee comprised of volunteers appointed by the Chief of the Cemetery and Funeral Bureau. As such, the Bureau does not have the authority to provide members reimbursement for any costs incurred to serve on the Committee. Committee members are not entitled to and will not receive a salary and/or any form of compensation for attending meetings. Members are responsible for all costs incurred to attend and participate in the committee meetings.

### **MEETINGS**

The Chief or his/her designee shall preside over all committee meetings and oversee all business of the Committee. Meetings are typically held two times per year in Sacramento.

Advisory Committee meetings will be conducted in compliance with the Bagley-Keene Open Meeting Act. A notice and agenda of each meeting shall be posted on the Bureau's website at least 10 days prior to the date of the meeting and shall include the time and place of the meeting, an agenda of issues to be discussed, and applicable meeting materials. Meetings are open to the public and all attendees shall be afforded an opportunity to comment on the meeting's agenda items, as well as items not on the agenda. Meetings will be audio recorded and, as scheduling permits, transmitted publically via webcast. Minutes will be recorded and posted on the Bureau's website.

Meetings will be held in facilities that are accessible to persons with disabilities in accordance with the *Americans with Disabilities Act*.

### **Advisory Committee Member Expectation Guidelines**

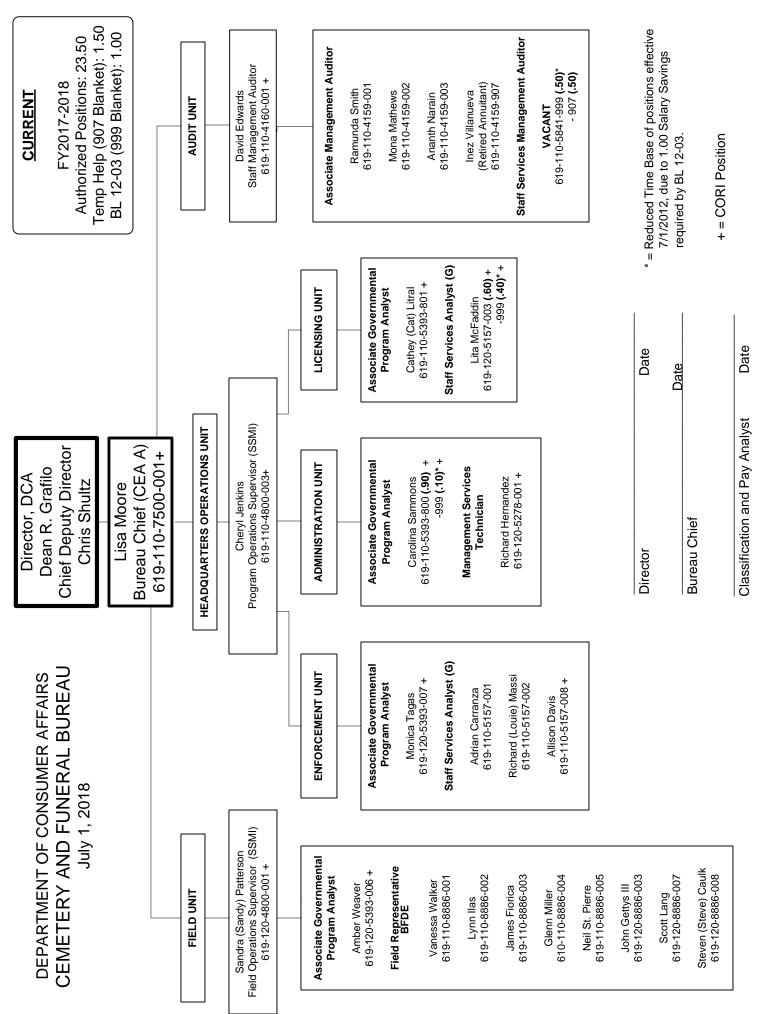
Committee members should be familiar with these guidelines and are expected to conduct themselves accordingly.

- 1. Arrive at least 15 minutes before the meeting's scheduled start time to allow time to take care of any possible pending issues.
- 2. Speak audibly and clearly during the meeting to enable everyone in the room to hear and understand you.
- 3. Please respect the Bureau Chief's or his/her designee's right to control the process of the meeting.
- 4. Please refrain from peripheral discussions during the meeting (i.e., sidebar discussions).
- 5. Be fair, impartial, and respectful of the public, Bureau staff, and other committee members, ensuring all committee members have an opportunity to participate in committee discussions.
- 6. Be respectful of differences in points of view whether from each other, the public, or Bureau staff.
- 7. Attendance of committee meetings must be in person; this committee will not conduct meetings by teleconference.
- 8. Do not use cell phones (including texting), laptops, iPads, or any other electronic device for personal use during a committee meeting as that could give the impression that you are not providing full attention to the meeting's proceedings.



# **Attachment B**

Cemetery and Funeral Bureau Organization Chart Fiscal Year 2018–19





# **Attachment C**

**Cemetery and Funeral Bureau Strategic Plan, 2015–2018** 



# 2015-2018



# Strategic Plan

Approved: October 6, 2014

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### **Message from the Bureau Chief**

On behalf of the Cemetery and Funeral Bureau (Bureau), I am excited to present the Bureau's 2015-2018 strategic plan. The strategic planning process has been a collaborative effort among licensees, consumers, and Bureau staff. This plan will help guide our work as we look to the future and continue to serve California consumers. I would like to thank everyone involved in the strategic planning development process who provided valuable input, clear vision, and commitment to help achieve a meaningful plan.

As a consumer protection program, I look forward to continuing our efforts in making the Cemetery and Funeral Bureau an efficient and effective part of state government. It is our mission to advocate consumer protection through licensee compliance, proactive education, and by consistently applying the laws and regulations governing the death care industry.

The Bureau continually strives to operate in an open and transparent environment while meeting its regulatory obligations. This plan will allow forums for consumers and licensees to provide input on funeral and cemetery-related issues.

I welcome input from all of our stakeholders and hope you will join in our success as we begin to work towards the objectives identified in this very ambitious, but achievable plan.

Lisa M. Moore, Chief Cemetery and Funeral Bureau Department of Consumer Affairs

### About the California Cemetery and Funeral Bureau

The California Cemetery and Funeral Bureau (Bureau) licenses, regulates, and investigates complaints against approximately 12,200 licensees in thirteen different licensing categories. This includes funeral establishments, funeral directors, embalmers, apprentice embalmers, cemetery brokers, cemetery salespersons, cremated remains disposers, crematories, crematory managers, cemetery managers, and private, nonreligious cemeteries established after September 1939, that collect endowment care funds.

The Bureau regulates many aspects of the licensed cemetery and funeral profession, with oversight responsibility of both the operational and fiduciary activities of the industries. The Bureau oversees preneed funeral trust funds, cemetery endowment care trust funds, and cemetery special care trust funds. While the State Department of Insurance regulates the sale of insurance policies which can be used to fund preneed funeral arrangements, the seller must meet the price disclosure and contract requirements under the Bureau's jurisdiction. The Bureau has the examination authority to ensure compliance with the financial laws, while verifying accounting and investing practices, and identify funding shortages.

The Bureau employs twenty-two staff, consisting of nine full-time field staff located throughout the state and thirteen office staff members in Sacramento. The Bureau also has a sevenmember Advisory Committee comprised of industry and public members. The Advisory Committee holds two annual public meetings which provide an opportunity for both consumers and licensees to contribute information and provide professional and technical information to the Bureau on industry-related matters.

The death of a loved one is one of the most traumatic experiences consumers will face. The Cemetery and Funeral Bureau has developed a booklet, *Consumer Guide to Funeral & Cemetery Purchases*, along with several pamphlets, to assist consumers in making the difficult end-of-life decisions for themselves or for a loved one. The information contained in the publications will help consumers ask the right questions, compare prices, and services, and make informed decisions. The publications can be found on the Bureau's website at <u>www.cfb.ca.gov</u>.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> The State of California does not license cemeteries operated by religious organizations, cities, counties, or cemetery districts, the military, Native American tribal organizations, or other groups.

### **2011 Strategic Plan Accomplishments**

The California Cemetery and Funeral Bureau accomplished the following goals since the adoption of the previous 2011 strategic plan.

- 1. Advisory Committee The Bureau created a new committee composed of four industry and three public members who each serve a two-year term.
- Consumer Guide to Funeral & Cemetery Purchases A Bureau publication, which was revised and updated in June 2013 and provides information to help consumers make informed decisions about funeral and cemetery arrangements for themselves or loved ones.
- 3. **Peace of Mind: Funeral and Cemetery Arrangements** A Bureau publication, developed in March 2012, which includes general information on planning ahead for cemetery and funeral arrangements.
- 4. **Preneed Q&A** In May 2013, the Bureau updated the Q&A brochure, which provides consumers with general information on funeral preneed planning.
- 5. **Probation Monitoring Guidelines and Procedures** The Bureau developed procedures to ensure licensees placed on probation comply with the terms and conditions of their probation, including cost recovery.
- 6. **Procedure Manuals** The Bureau updated all manuals for field operations, licensing functions, and enforcement procedures.
- 7. **Cemetery Maintenance Standards** The Bureau developed and implemented regulations effective January 1, 2012 for cemetery maintenance standards to prevent the offensive deterioration of an endowment care cemetery licensed by the Bureau.
- 8. Funeral Citation and Fine Regulations The Bureau adopted regulations that amended the funeral citation and fine table. The adopted regulations, effective on October 1, 2014, allow for issuance of an administrative citation and/or monetary fine for any violation of the statutes or regulations applicable to funeral practice.
- Cemetery Citation and Fine Regulations The Bureau drafted proposed regulatory language to amend the cemetery citation and fine table. The proposed regulations will allow for issuance of an administrative citation and/or monetary fine for any violation of the statutes or regulations applicable to cemetery practice.

### **Mission**

The Cemetery and Funeral Bureau advocates consumer protection and licensee compliance through proactive education and consistent interpretation and application of the laws governing the death care industry.

### Vision

Empowering California consumers to make informed end-of-life decisions in a fair and ethical marketplace.

### Values

### Accountability

We accept personal responsibility for our actions, exemplifying high ethical standards, and always strive to improve our effectiveness.

### Fairness

We treat people equally and make decisions without favoritism or prejudice.

### **Collaboration**

We value partnerships. We foster the public's trust through open communication and work in a cooperative, respectful, and courteous manner.

### Trust

We communicate with credibility and truthfulness. Our communications are open and authentic with all stakeholders.

### Compassion

We employ empathy, integrity, respect, and understanding when serving consumers.

### **Strategic Goals**

### **1** LICENSING

The Bureau promotes licensing standards to protect consumers and allow reasonable access to the profession.

### **2** ENFORCEMENT

The Bureau protects the health and safety of consumers through the enforcement of the laws and regulations governing the profession.

### **3** LEGISLATION, REGULATIONS, AND POLICY

The Bureau pursues statutes, regulations, policies, and procedures that strengthen and support their mandate and mission.

### **4** OUTREACH

The Bureau informs consumers, licensees, and stakeholders about the practice and regulation of the profession.

### **5** ORGANIZATIONAL EFFECTIVENESS

The Bureau builds an excellent organization through proper Bureau governance, effective leadership, and responsible management.

### **6** AUDIT PROCESS

The Bureau strives to continuously improve the audit process.

### **GOAL 1: LICENSING**

- The Bureau promotes licensing standards to protect consumers and allow reasonable access to the profession.
- 1.1 Review, evaluate, and revise (as needed) licensing applications and forms for accuracy and consistency with statutes and regulations.
- 1.2 Prepare for Release 3 implementation of BreEZe by mapping existing licensing processes to facilitate an efficient transition to BreEZe.
- 1.3 Improve application review processes and procedures to ensure Bureau compliance with statutes and regulations.

### **GOAL 2: ENFORCEMENT**

- The Bureau protects the health and safety of consumers through the enforcement of the laws and regulations governing the profession.
- 2.1 Develop methods to improve internal communication and collaboration between office and field staff to provide consistent interpretation and application of statutes and regulations.
- 2.2 Review and evaluate the effectiveness of the cemetery maintenance standards.
- 2.3 Create procedure(s) for addressing cemeteries that are no longer licensed, yet continue to be under the jurisdiction of the Bureau for preneed interments.
- 2.4 Research final disposition as it relates to body donation and cremation to ensure quarterly reports to the Bureau are accurate and final dispositions are recorded correctly on the disposition permit.

### **GOAL 3: LEGISLATION, REGULATIONS, AND POLICY**

- The Bureau pursues statutes, regulations, policies, and procedures that strengthen and support their mandate and mission.
- 3.1 Explore merging the cemetery and funeral statutes to establish consistency within the profession.
- 3.2 Review and update the Bureau's disciplinary guidelines for enforcement actions.
- 3.3 Complete the rulemaking process for the remaining revised funeral regulations.
- 3.4 Review, evaluate, and revise the cemetery regulations for clarity and consistency.

### **GOAL 4: OUTREACH**

- The Bureau informs consumers, licensees, and stakeholders about the practice and regulation of the profession.
- 4.1 Partner with DCA's Public Affairs Division to develop a consumer education and outreach plan utilizing appropriate media.
- 4.2 Partner with DCA's Public Affairs Division to develop a video to educate potential licensees about the application process.
- 4.3 Conduct annual review of website to provide up-to-date information.
- 4.4 Increase frequency of visits to mortuary science colleges to educate potential licensees about the laws and regulations that will govern them once licensed.

### **GOAL 5: ORGANIZATIONAL EFFECTIVENESS**

- The Bureau builds an excellent organization through proper Bureau governance, effective leadership, and responsible management.
- 5.1 Establish an annual comprehensive training plan for all managers to strengthen their leadership and managerial skills.
- 5.2 Review and update Bureau's succession plan to develop a framework to retain institutional knowledge.
- 5.3 Develop and implement a phone tree to enable stakeholders to contact appropriate staff in an efficient manner.
- 5.4 Establish an annual comprehensive training plan for all staff to develop or strengthen their skills to enhance job performance.

### **GOAL 6: AUDIT PROCESS**

- > The Bureau strives to continuously improve the audit process.
- 6.1 Create a stakeholder task force to review, evaluate, and revise (as needed) audit report forms and acceptable accounting practices to ensure relevant information is collected and to recommend legislative changes.
- 6.2 Continue assessing the funding and position needs in the Bureau's Audit Unit.
- 6.3 Identify DCA business writing, analytical skills, and communication classes for audit staff to attend in order to effectively communicate to stakeholders.
- 6.4 Review and evaluate whether the current endowment care fund fee each cemetery collects is sufficient to maintain the cemetery.

### **Strategic Planning Process**

To understand the environment in which the Bureau operates and identify factors that could impact the Bureau's success, the California Department of Consumer Affairs' SOLID unit conducted an environmental scan of the internal and external environments by collecting information through the following methods:

- An online survey sent to thirteen stakeholders, comprised of industry professionals, professional associations, California colleges, and others who expressed interest in the strategic direction of the Bureau. The online survey received thirty-four responses.
- An online survey sent to nine field staff.
- Telephone interviews with Executive team members in July, 2014.
- Focus group discussion with Bureau staff in July, 2014.

The most significant themes and trends identified from the environmental scan were discussed by the Bureau executive team during a strategic planning session facilitated by SOLID on August 20, 2014. This information guided the Bureau in the development of its mission, vision, and values, while directing the strategic goals and objectives outlined in this 2015 – 2018 strategic plan.



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Prepared by:



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This strategic plan is based on stakeholder information and discussions facilitated by SOLID for the California Cemetery and Funeral Bureau in July and August 2014. Subsequent amendments may have been made after Bureau adoption of this plan.





## **Attachment D**

**Cemetery and Funeral Bureau Impacting Legislation, 2014–2018** 

### CEMETERY AND FUNERAL BUREAU

### **IMPACTING LEGISLATION 2014 – 2018**

The following legislative actions were enacted since the last sunset review. For each bill, only the sections contained within the Cemetery and Funeral Act (commencing with Business and Professions Code [BPC] section 7600), General Provisions of the Code, or sections of other codes pertaining to the Bureau or its licensees are listed.

#### Assembly Bill 1702 Maienschein (Chapter 410, Statutes of 2014)

Subject Matter:	Professions and vocations: Incarceration
Sections Affected:	BPC § 480.5
Effective Date:	January 1, 2014
Summary:	This bill prohibits licensing boards and bureaus within the Department of
	Consumer Affairs from denying a license or delaying the processing of
	applications based solely on some or all of the licensure requirements
	having been completed while the applicant was incarcerated.

#### Assembly Bill 1711 Cooley (Chapter 779, Statutes of 2014)

Subject Matter:	Administrative Procedures Act: economic impact assessment
Sections Affected:	Government Code (GC) §§ 11346.2, 11346.3, and 11357
Effective Date:	January 1, 2014
Summary:	This bill requires state agencies to include economic impact assessment of any proposed regulation in its published initial statement of reasons document. The bill also requires the Department of Finance to include and update instructions on how to prepare the economic impact assessment in the State Administrative Manual.

#### Assembly Bill 2396 Bonta (Chapter 737, Statutes of 2014)

Subject Matter: Sections Affected: Effective Date: Summary:	Convictions: expungement: licenses BPC § 480 January 1, 2014 This bill prohibits a licensing authority under the Department of Consumer Affairs from denying a license based solely on a prior conviction if the conviction has been dismissed pursuant to Penal Code expungement
	conviction has been dismissed pursuant to Penal Code expungement procedures.

#### Senate Bill 1159 Lara (Chapter 752, Statutes of 2014)

Subject Matter:	Professions and vocations: license applicants: federal tax identification number
Sections Affected:	BPC §§ 30 and 135.5
Effective Date:	January 1, 2014
Summary:	This bill requires all programs within the Department of Consumer Affairs to accept an individual taxpayer identification number from applicants in lieu of a social security number and explicitly directs the Department's licensing programs to issue licenses to individuals qualified for licensure, but not legally present in the United States.

#### Senate Bill 1226 Correa (Chapter 400. Statutes of 2014)

Subject Matter:	Veterans: professional licensing
Sections Affected:	BPC § 115.4
Effective Date:	January 1, 2014
Summary:	This bill authorizes programs under the Department of Consumer Affairs to expedite and assist the licensure process for individuals honorably discharged from the United States Armed Forces who return to California and seek professional and occupational licensure.

#### Senate Bill 1291 Nielsen (Chapter 276, Statutes of 2014)

Subject Matter:	Public cemetery districts: Halcumb Cemetery District
Sections Affected:	Health and Safety Code (HSC) § 9063.9
Effective Date:	January 1, 2014
Summary:	This bill allows a limited number of non-resident and non-property tax
	payer internments in the Halcumb Cemetery District in Shasta County
	with the payment of a non-resident fee.

### Assembly Bill 180 Bonilla (Chapter 395, Statutes of 2015)

Subject Matter: Sections Affected:	Cemetery and Funeral Bureau BPC §§ 205, 7600, 7602, 7606, 7607, 7608, 7609, 7610.1, 7611, 7611.1, 7611.2, 7611.3, 7611.4, 7611.5, 7611.6, 7611.7, 7611.8, 7611.9, 7611.10, 7612, 7612.1, 7612.2, 7612.3, 7612.4, 7612.5, 7612.6, 7612.7, 7612.8, 7612.9, 7612.10, 7612.11, 7613, 7613.1, 7613.2, 7613.3, 7613.4, 7613.5, 7613.6, 7613.7, 7613.8, 7613.9, 7613.10, 7614, 7614.1, 7614.2, 7614.3, 7614.4, 7614.5, 7614.6, 7614.7, 7614.8, 7614.9, 7622.2, 7637, 7637.1, 7637.2, 7637.3, 7637.4, 7637.5, 7637.6, 7637.7, 7637.8, 7637.9, 7637.10, 7638, 7651, 7651.1, 7651.2, 7651.3, 7651.4, 7651.5, 7651.6, 7651.7, 7651.8, 7651.9, 7651.10, 7652, 7652.10, 7653, 7653.1, 7653.2, 7653.3, 7653.4, 7653.5, 7653.6, 7653.8, 7653.9, 7672, 7672.1, 7672.2, 7672.3, 7672.4, 7672.5, 7672.6, 7672.7, 7672.8, 7672.9, 7672.10, 7673, 7673.1, 7673.2, 7685.3, 7685.5, 7711.1, 7711.2, 7711.3, 7711.4, 7711.5, 7711.6, 7711.7, 7711.8, 7711.9, 7711.10, 7711.11, 7711.2, 7712.8, 7712.9, 7712.10, 7713, 7713.1, 7713.2, 7713.3, 7713.4, 7725.2,7727, 7729.1, 7729.2, 7729.3, 7729.4, 7729.5, 7729.6, 7729.7, 7729.8, 7729.9, 7729.10, 7730, 7730.1, 7730.2, 7730.3, 7730.4, 7730.5, 7730.6, 7730.7, 7730.8, 7730.9, 7730.10, 7731, 7731.1, 7731.2, 7731.3, 7731.3, 7731.3, and
Effective Date: Summary:	7731.4 January 1, 2016 This bill subjects the Cemetery and Funeral Bureau to sunset review as if it were set to sunset on January 1, 2020 and includes a merger of the Cemetery Act with the Funeral Directors and Embalmers Act and a merger of the Bureau's two separate special funds, the latter of which will take effect July 1, 2016. The bill also requires the Bureau conduct a study and report to the Assembly Committee on Business and Professions and the Senate Committee on Business, Professions, and Economic Development by January 1, 2018 on the sufficiency of endowment care funds used by cemeteries for future operations.

#### Assembly Bill 181 Bonilla (Chapter 430. Statutes of 2015)

Subject Matter:	Business and professions
Sections Affected:	BPC § 7685
Effective Date:	January 1, 2016
Summary:	This bill makes several minor, non-controversial, or technical changes to various provisions related to licensing programs of the Department of Consumer Affairs. Specific to the Cemetery and Funeral Bureau; this bill requires a funeral establishment that maintains an Internet Web site to post information about its goods and services by a link from the homepage containing specified key words.

#### Assembly Bill 1352 Eggman (Chapter 646. Statutes of 2015)

Subject Matter: Sections Affected: Effective Date: Summary:	Deferred entry of judgment: withdrawal of plea Penal Code § 1203.43 January 1, 2016 This bill authorizes a defendant who has successfully completed a deferred entry of judgment treatment program on or after January 1, 1997, to obtain a dismissal of the plea, upon which the deferred entry of judgment was granted under specified procedures. This dismissal is available to the former defendant if he or she performed satisfactorily during the deferred entry of judgment period, and the charges were dismissed pursuant to the program. If court records are not available, a defendant's declaration under penalty of perjury that the charges were dismissed after completion of the deferred entry of judgment program shall be presumed true if the defendant submits a copy of his or her state

#### Senate Bill 560 Monning (Chapter 389, Statutes of 2015)

Subject Matter:	Licensing boards: unemployment insurance
Sections Affected:	BPC § 30
Effective Date:	January 1, 2016
Summary:	This bill requires all Department programs to share specified licensee
	information with the Employment Development Department upon request.

#### Senate Bill 570 Jackson (Chapter 543, Statutes of 2015)

Subject Matter:	Personal information: privacy: breach
Sections Affected:	Civil Code § 1798.29 and 1798.82
Effective Date:	January 1, 2016
Summary:	This bill revises existing data breach notification requirements to include required content under specified headings. Additionally, this bill provides a sample data breach notification form that entities may use to comply with these new formatting requirements.

### Assembly Bill 1658 Bigelow (Chapter 242, Statutes of 2016)

Subject Matter:	Happy Homestead Cemetery District: nonresident burial
Sections Affected:	HSC § 9063.9
Effective Date:	January 1, 2017
Summary:	This bill authorizes the Happy Homestead Cemetery District to inter
	residents of specified Nevada communities if they meet specified
	conditions.

#### Assembly Bill 2636 Linder (Chapter 527, Statutes of 2016)

Subject Matter:	Certified copies of marriage, birth, and death certificates: electronic application
Sections Affected: Effective Date:	HSC §§ 103526 and 103527.5 January 1, 2017
Summary:	This bill allows an official, if an electronic request for a certified copy of a birth, death, or marriage record is made, to accept an electronic verification of identity of the applicant using a remote identity proofing process, as specified, or a notarized statement of identity, to ensure the applicant is authorized under law to receive that record. Specifies what the multilayered remote identity proofing process for the electronic verification authentication must include.

#### Assembly Bill 2859 Low (Chapter 473, Statutes of 2016)

Subject Matter: Sections Affected:	Professions and vocations: retired category: licenses BPC § 464
Effective Date:	January 1, 2017
Summary:	This bill allows all programs within DCA to establish, by regulation, a system to issue retired licenses for persons not actively engaged in the practice of their profession, with specified limitations.

#### Senate Bill 66 Levva (Chapter 770, Statutes of 2016)

Subject Matter:	Career technical education
Sections Affected:	BPC § 30
Effective Date:	January 1, 2017
Summary:	This bill requires DCA, in accordance with state and federal privacy laws,
	to provide specific licensure data to the Chancellor's Office of the
	California Community Colleges in order to measure employment
	outcomes of students who participate in career technical education
	programs offered by the California Community Colleges.

#### Senate Bill 1171 Committee on Judiciary (Chapter 86, Statutes of 2016)

Subject Matter:	Maintenance of the codes
Sections Affected:	BPC § 7685
Effective Date:	January 1, 2017
Summary:	This bill makes non-substantive changes in various provisions of law to effectuate the recommendations made by the Legislative Counsel to the Legislature.

#### Senate Bill 1179 Vidak (Chapter 592. Statutes of 2016)

Subject Matter:	Public cemetery districts: interment rights
Sections Affected:	HSC §§ 9002, 9069.15, 9069.20, 9069.25, 9069.30, 9069.35, and
	9069.40
Effective Date:	January 1, 2017
Summary:	This bill: 1) establishes that within a public cemetery district an interment right is a transferable property interest; 2) requires the owner of an
	interment right, at the time of purchase, to determine a successor owner
	in writing; 3) provides employees or trustees of the public cemetery
	district with immunity from liability for any claims, losses, or damages

resulting from transferring an interment right; and 4) provides the circumstances and process under which human remains may be disinterred, reinterred, or removed from a public cemetery district and specifies the records they are required to maintain.

#### Senate Bill 1284 Hernandez (Chapter 39, Statutes of 2016)

Subject Matter:	Human remains: conservator of the person or estate
Sections Affected:	HSC § 7105
Effective Date:	January 1, 2017
Summary:	This bill allows the conservator of a person and the conservator of an
	estate to control the disposition of a decedent's remains when a
	decedent's next of kin fails to act on interment rights or cannot be found.

#### Senate Bill 1348 Cannella (Chapter 174, Statutes of 2016)

Subject Matter:	Licensure applications: military experience
Sections Affected:	BPC § 114.5
Effective Date:	January 1, 2017
Summary:	This bill requires DCA programs that accept military education, experience, or training to post that information on their website.
	experience, or training to post that information on their website.

### Senate Bill 1479 Committee on Business, Professions and Economic Development (Chapter 634, Statutes of 2016)

Subject Matter:	Business and professions
Sections Affected:	BPC § 7612.6
Effective Date:	January 1, 2017
Summary:	As it relates to the Bureau, this bill requires the endowment care fund and special care fund annual report be prepared in accordance with generally accepted accounting principles.

#### Assembly Bill 356 Bigelow (Chapter 187, Statutes of 2017)

Subject Matter: Sections Affected: Effective Date: Summary:	Human remains: disposition HSC § 103050 January 1, 2018 This bill authorizes human remains to be transported from California to an adjacent state for disposition in that state without a death certificate or a permit for disposition if the remains are found within 50 miles of the California border and a licensed funeral establishment in the adjacent state is within 30 miles of the county border in which the decedent died,
	and the remains a released to that funeral establishment.

#### Assembly Bill 926 Irwin (Chapter 750, Statutes of 2017)

Subject Matter:	Cemeteries: endowment funds
Sections Affected:	BPC § 7612.6; HSC §§ 8725, 8726, 8726.1, and 8726.2
Effective Date:	January 1, 2020
Summary:	This bill authorizes the Bureau to extend the date on which the annual
	report is due by no more than nine months. In addition, this bill
	authorizes, beginning January 1, 2020, a cemetery authority to apply to
	the Bureau to convert its endowment care fund from a net income
	distribution method to a unitrust distribution method. This bill establishes

conditions under which a distribution from the fund could be made under the unitrust distribution method. The Bureau will be required to review, on an annual basis, whether a cemetery authority continues to meet the conditions of approval for the unitrust distribution method, and authorizes the Bureau to require the use of the net income distribution method if the cemetery authority does not meet those conditions. This bill requires the Bureau to evaluate the effectiveness of the unitrust distribution method and provide a report to the Legislature as specified.

#### Assembly Bill 967 Gloria (Chapter 846, Statutes of 2017)

Subject Matter: Sections Affected:	Human remains disposal: alkaline hydrolysis: licensure and regulation BPC §§ 7611.9, 7611.12, 7639, 7639.02, 7639.04, 7639.06, 7639.08, 7639.10, 7639.12, 7639.16, 7639.18, 7639.19, 7653.35, 7653.36, 7672, 7672.1, 7672.2, 7672.3, 7672.4, 7672.6, 7672.7, 7673.1, 7685.2, 7712.11, and 7730.11; HSC §§ 7002.5, 7003, 7006.1, 7006.4, 7006.6, 7006.8, 7010.1, 7010.3, 7010.7, 7011, 7011.2, 7015, 7016, 7017, 7051, 7051.5, 7052, 7052.5, 7054, 7054.1, 7054.6, 7054.8, 7055, 7116, 7117, 8370, 8372, 8374, 8376, 8378, 8380, 8382, 103055, 103060, and 103080
Effective Date: Summary:	July 1, 2020 This bill requires, commencing July 1, 2020, the Bureau to license and regulate hydrolysis facilities and hydrolysis facilities manager. This bill enacts requirements applicable to hydrolysis facilities similar to those applicable to crematoriums. Additionally, applicants for a hydrolysis facility license are required to provide to the Bureau any state or locally required permits for business operations, prove that it has the appropriate permits and contracts for the disposal of hydrolysate, and employ a hydrolysis chamber approved by the State Department of Public Health as specified.

#### Assembly Bill 1381 Obernolte (Chapter 150. Statutes of 2017)

Subject Matter:	Funeral establishment: apprenticeship training
Sections Affected:	BPC § 7670
Effective Date:	January 1, 2018
Summary:	This bill authorizes a funeral establishment, instead of a funeral director, to submit an application to the Cemetery and Funeral Bureau if it wishes to have an apprentice embalmer at the establishment. Additionally, this bill authorizes the funeral establishment to have a trade embalmer, hired by the establishment on a case-by-case basis, for purposes of satisfying the apprentice embalmer application requirements.

#### Senate Bill 547 Hill (Chapter 429. Statutes of 2017)

Subject Matter:	Professions and vocations: weights and measures
Sections Affected: Effective Date:	BPC § 7635 January 1, 2018
Summary:	As it relates to the Bureau, this bill requires any person employed by, or
	an agent of, a licensed funeral establishment who consults with the family or representatives of the family of a deceased person for the purpose of arranging certain services to receive documented training, as specified, at
	least once every 3 years.

# Senate Bill 800 Committee on Business. Professions and Economic Development (Chapter 573, Statutes of 2017)

Subject Matter:	Professions and vocations
Sections Affected:	BPC § 7713
Effective Date:	January 1, 2018
Summary:	As it relates to the Bureau, this bill authorizes licensed crematories within close geographical proximity of each other to request authorization from the Bureau to allow a licensed crematory manager to manage, supervise, and direct the business or profession of more than one facility.



## **Attachment E**

**Cemetery and Funeral Bureau Regulatory Actions, 2014–2018** 

### CEMETERY AND FUNERAL BUREAU

### **REGULATORY ACTIONS 2014–2018**

The following regulatory changes were approved by Bureau since the last sunset review.

Regulation Name: CCR Section: Action: Summary:	Issuance of Citations; Content 1240 Amended strikes out language referencing CCR Section 1241, which limits violations to those found in 1241; adds language to clarify a "citable offense" as any violation of the statutes and regulations enforced by the Bureau
Regulation Name: CCR Section: Action: Summary:	Assessment of fines 1241 Amended increases the maximum administrative fine from \$2,500 to \$5,000 in accordance with the provisions of BPC section 125.9; eliminates the specific classes of violations but retains the subsection noting the factors to be given due consideration when determining whether or not to assess an administrative fine for a violation
Regulation Name: CCR Section: Action: Summary:	Order of Abatement; Extension of Time 1242 Amended corrects a grammatical error; clarifies that requests need to be submitted to the Bureau in writing
Regulation Name: CCR Section: Action: Summary:	Citations; Unlicensed Activity 1246 Amended increases the maximum administrative fine from \$2,500 to \$5,000 in accordance with the provisions of BPC section 125.9; uses the phrase "licensure by the Bureau" to streamline the regulation in lieu of listing out all license types which require a license
Regulation Name: CCR Section: Action: Summary:	Purpose and Scope 1280 Repealed obsolete language
Regulation Name: CCR Section: Action: Summary:	Definitions 1281 Repealed obsolete language
Regulation Name: CCR Section: Action: Summary:	Continuing Education Committee 1282 Repealed obsolete language

Regulation Name:	Minimum Continuing Education Requirements
CCR Section:	1283
Action:	Repealed
Summary:	obsolete language
Regulation Name:	Requirements for Recognized Providers
CCR Section:	1284
Action:	Repealed
Summary:	obsolete language
Regulation Name:	Course Approval for Recognized Providers
CCR Section:	1285
Action:	Repealed
Summary:	obsolete language
Regulation Name:	Audit of Providers and Courses
CCR Section:	1286
Action:	Repealed
Summary:	obsolete language
Regulation Name:	Courses from Non-Recognized Providers
CCR Section:	1287
Action:	Repealed
Summary:	obsolete language
Regulation Name:	Standards for Continuing Education Courses
CCR Section:	1288
Action:	Repealed
Summary:	obsolete language
Regulation Name:	Denial, Suspension, or Revocation of Registration
CCR Section:	1289
Action:	Repealed
Summary:	obsolete language
Regulation Name:	Audit and Sanctions for Noncompliance
CCR Section:	1290
Action:	Repealed
Summary:	obsolete language
Regulation Name:	Processing Periods
CCR Section:	1291
Action:	Repealed
Summary:	obsolete language
Regulation Name: CCR Section: Action: Summary:	Hearses and First-Call or Pickup Cars 1209 Amended strikes sanitation regulation for ambulances as they are no longer used by the funeral industry for decedent removal; requires hearses and first- call or pickup cars under the control and operation of the funeral establishment to be kept clean and sanitary; prohibits these decedent

	removal vehicles from exuding "noxious" odors
Regulation Name: CCR Section: Action: Summary:	Authorization to Accept or Decline Embalming 1214 Amended updates the embalming authorization form and rename it to Authorization to Accept or Decline Embalming; allows the form to be separate or combined with another document; requires a representative of the funeral establishment sign the form
Regulation Name: CCR Section: Action: Summary:	Sanitation 1216 Amended imposes sanitation requirements on refrigeration facilities
Regulation Name: CCR Section: Action: Summary:	Care and Preparation for Burial 1221 Amended clarifies that students from accredited mortuary science programs approved by the Bureau are allowed in the embalming and/or storage room while human remains are being embalmed/prepared for disposition; and remove authority for duly accredited nurses and members of the immediate family in the embalming and/or storage room while human remains are being embalmed/prepared for disposition, and allow persons who have been authorized by the person with right to control disposition to also be present in the embalming and/or storage room while human remains are being embalmed/prepared for disposition
Regulation Name: CCR Section: Action: Summary:	Posting Rules 1255 Amended requires refrigeration facilities to comply with the posting requirement in CCR Section 1221
Regulation Name: CCR Section: Action: Summary:	Notice of Casket Disclaimer 1258 Amended modifies the casket disclaimer to read "There is no evidence that any casket represented as having protective features, which may include a gasket, will preserve human remains."; requires the Casket Price List identify all caskets having or represented as having a sealing device; removes the requirement that the casket disclaimer be placed in or on each casket physically or photographically displayed and represented as having a sealing device
Regulation Name: CCR Section: Action: Summary:	Casket Price Lists, Price Tags, Price Ranges and Display 1258.1 Amended removes the requirement to identify the exterior wood color of a casket as dark, medium, or light; removes the requirement that infant/child casket and adult casket price ranges be listed separately and instead requires a casket price range for all caskets regularly offered for sale and all alternative containers regularly offered for sale; removes the requirement that the casket price range to be included on the Casket Price List;

	requires representations of caskets regularly offered for sale be physica or photographically displayed; define "casket", "alternative container", an "regularly offered for sale"	
Regulation Name: CCR Section: Action: Summary:	Rental Caskets 1258.2 Amended requires a rental casket be called a "rental" casket; strikes the existing definition of casket for the purpose of BPC section 7702; removes the requirement to obtain written acknowledgement from the renter that the casket is a rental casket and requires the rental casket be listed on the contract for goods and services when used; requires rental caskets be listed on the Casket Price List and physically or photographically displayed	
Regulation Name: CCR Section: Action: Summary:	Cemetery and Funeral Bureau Notification 1258.3 Repealed duplicate language; requirement can be found in BPC section 7685.3	
Regulation Name: CCR Section: Action: Summary:	Statement of Disclosure of Preneed Agreement 1258.4 Amended makes a technical change to the statute referenced	
Regulation Name: CCR Section: Action: Summary:	Issuance of Citations and Fines 2382 Amended authorizes the Bureau Chief or his or her designee to issue citations containing orders of abatement and assess administrative fines for any violation of the statutes and regulations enforced by the Bureau includin specified sections of HSC; clarifies that each citation will contain a statement informing the licensee of the right to contest the citation and request a hearing pursuant to BPC section 125.9 and CCR section 2386 clarifies that citations may contain an assessment of an administrative fine, an order of abatement fixing a reasonable period of time for abatement of the violation, or both, and the citation will be served following the requirements of GC section 11505(c); increases the maximum fine for each inspection or each investigation made with respect to the violation to \$5,000 pursuant to the authority of BPC section 125.9; clarifies that payment of any fine does not constitute an admission of the violation charged	δ; on
Regulation Name: CCR Section: Action: Summary:	Assessment of Fines 2383 Amended eliminates the specific classes of violations and associated fine range; increases the minimum administrative fine to \$100 and the maximum fin to \$5,000 for each inspection or each investigation made with respect to the violation	
Regulation Name: CCR Section: Action:	Citation Factors 2384 Amended	Δ

Summary:	makes technical non-substantive changes, including removing reference to the Bureau Chief and changing "department's" to "bureau's"
Regulation Name: CCR Section: Action: Summary:	Citation; Extension of Time and Failure to Comply or Pay 2385 Amended renames this section; clarifies that if a cited person or entity is unable to complete an order of abatement in the allotted time, the cited person or entity may submit a request for an extension of time in writing to the Bureau Chief; clarifies the contest provision is applicable to a person or entity who is issued a citation containing an assessment of an administrative fine, as well as to a person or entity who has been issued a citation with an order of abatement; establishes a 30 day timeline to contest the citation; clarifies that failure to comply within the specified time may subject the person or entity to disciplinary action; makes clear that unpaid fines will be added to the licensee's renewal and the license will not be renewed until the fine is paid
Regulation Name: CCR Section: Action: Summary:	Appeal of Citation 2386 Amended renames the title of this section; removes language regarding requesting a hearing within 10 days; adds language that a cited person or entity may contest a citation by submitting a written request for a hearing to the Bureau Chief within 30 days; clarifies that hearings shall be conducted in accordance with the provisions of GC, and sets forth aspects of a citation a cited person or entity may contest; removes language regarding holding an informal office conference within 30 days from the receipt of the request for an appeal; removes language regarding providing a decision within 10 days of the informal conference; adds language that failure to appear for a requested hearing shall constitute a withdrawal of the appeal and makes clear that the citation will be considered a final order; removes subsection (c)
Regulation Name: CCR Section: Action: Summary:	Informal Office Conference 2386.5 Adopted makes clear for a cited person or entity the informal office conference process and their right to contest a citation; states that without waiving the right to contest the citation pursuant to subdivision (b)(4) of BPC section 125.9, the cited person or entity may request an informal office conference within 10 days after service of the citation by submitting a written request to the Bureau Chief; requires an informal office conference be held within 30 days of receipt of the request; requires the cited person or entity be notified in writing of the outcome within 15 days of the conclusion of the conference; states how the decision from an informal office conference will affect the cited person or entity's right to request a hearing to contest a citation
Regulation Name: CCR Section: Action: Summary:	Citations; Unlicensed Activity 2387 Amended renamed the title of this section; clarifies the Bureau Chief or his or her designee is authorized to issue citations containing orders of abatement

	and assess administrative fines for unlicensed activity; increases the minimum administrative fine from \$250 to \$1,001 and the maximum administrative fine from \$2,500 to \$5,000; references that the provisions of BPC section 125.9 shall apply to the issuance of citations for unlicensed activity
Regulation Name: CCR Section: Action: Summary:	Failure to File Annual Report 2388 Amended makes technical non-substantive changes to clarify that the Bureau Chief, or his or her designee, has authority to assess fines; clarifies a cited person or entity may request an informal office conference regarding the violations charged in the citation within 10 days after service of the citation; updates reference to the informal office conference section which changed to 2386.5
Regulation Name: CCR Section: Action: Summary:	Applications for Cemetery Certificate of Authority and Crematory License 2326 Amended allows a limited liability company to own and operate a cemetery; incorporates the following forms by reference: Application for Certificate of Authority, form 23-COA (rev. 1/15), Cemetery Notification of Change, form 23-NC (rev. 1/15), Certification Affidavit, form 16-CA (rev. 1/15), Limited Liability Company Bureau Licensed Employee, form 23-LE (1/15), Limited Liability Company Certification of Insurance Coverage, form 23- INS (1/15), and Limited Liability Company Certification of Net Worth, form 23-NW (1/15)
Regulation Name: CCR Section: Action: Summary:	Managers 2326.1 Amended prohibits the cemetery manager of a cemetery owned and operated by a limited liability company from having an ownership interest as a member of the limited liability company; changes references to "managing officer" to "cemetery manager"
Regulation Name: CCR Section: Action: Summary:	Limited Liability Company Certification of Insurance Coverage or Net Worth 2326.2 Adopted implements reporting requirements for a limited liability company to ensure they maintain compliance with BPC section 9653.5 (now Business and Professions Code section 7613.4); incorporates the following forms by reference: Limited Liability Company Certification of Insurance Coverage, form 23-INS (1/15), and Limited Liability Company Certification of Net Worth, form 23-NW (1/15).
Regulation Name: CCR Section: Action: Summary:	Record Keeping and Reporting of Changes 2326.3 Adopted implements record keeping and reporting requirements for cemeteries; requires any change of or addition to corporate officers, limited liability members, or trustees of the endowment care fund be reported to the Bureau within 30 days on the Cemetery Notification of Change, form 23-

	NC (1/15), along with a filing fee of \$25; incorporates the following forms by reference: Cemetery Notification of Change, form 23-NC (rev. 1/15), Certification Affidavit, form 16-CA (rev. 1/15), and Bureau Licensed Employee, form 23-LE (1/15)
Regulation Name: CCR Section: Action: Summary:	Approval to Share a Cemetery Manager 2326.5 Amended requires that the geographical distance between cemeteries that share a cemetery manager be within a one hour driving distance, not to exceed 60 miles, from the designated main office; prohibits the cemetery manager and any person licensed to perform services related to cemeteries and funerals from having an ownership interest in a limited liability company that is a cemetery authority



# **Attachment F**

**December 2017 Endowment Care Fund Sufficiency Study** 



BUSINESS, CONSUMER SERVICES, AND HOUSING AGENCY . GOVERNOR EDMUND G. BROWN JR.

CEMETERY AND FUNERAL BUREAU 1625 N. Market Blvd., Suite S-208, Sacramento, CA 95834 P 916.574.7870 F 916.928.7988 www.cfb.ca.gov



December 29, 2017

Senator Jerry Hill, Chair Senate Business, Professions and Economic Development Committee State Capitol, Room 2053 Sacramento, CA 95814

Assembly Member Evan Low, Chair Assembly Business and Professions Committee 1020 N St., Room 383 Sacramento, CA 95814

RE: Cemetery and Funeral Bureau Endowment Care Fund Sufficiency Report

Dear Senator Hill and Assembly Member Low:

Business & Professions Code Section 7612.11 requires the Cemetery and Funeral Bureau (Bureau) to conduct a study to obtain information to determine if the endowment care fund levels of each licensee's cemetery are sufficient to cover the cost of future maintenance and to report its findings and recommendations to the appropriate policy committees of the Legislature by January 1, 2018.

The Bureau's report is attached and includes the following:

- Scope and methodology used for evaluating endowment care sufficiency;
- Historical minimum endowment care deposits for endowment care cemeteries;
- A comparison of minimum endowment care trust deposit rates across states;
- Results of the data collected and recommendations to increase endowment care fund deposits and conduct a follow-up study in five years.

Although cemeteries deposit at least the minimum amounts of endowment care required by law, statewide, the costs of maintaining California's privately-owned cemeteries exceeds the income generated from the cemeteries' endowment care trusts.

If you have any questions or require further assistance regarding this report, please contact Julia Bishop, Assistant Deputy Director, Legislative and Regulatory Review Division at 916.574.7810 or by e-mail at Julia.Bishop@dca.ca.gov.

Sincerely,

Lisa M. Moore, Chief Cemetery and Funeral Bureau

cc: Camille Wagner, Legislative Secretary, Governor's Office Melinda Grant, Deputy Legislative Secretary, Governor's Office Alexis Podesta, Secretary, Business, Consumer Services, and Housing Agency Jolie Onodera, Deputy Secretary, Business, Consumer Services, and Housing Agency

Enclosure: Cemetery and Funeral Bureau Endowment Care Fund Sufficiency Report

### Introduction

#### Background

#### The Cemetery and Funeral Bureau

The Cemetery and Funeral Bureau (Bureau) is one of 39 regulatory entities administered by the California Department of Consumer Affairs. The Bureau licenses approximately 13,000 businesses and professionals in the following licensing categories, including private, nonreligious cemeteries; cemetery managers; cemetery brokers; cemetery salespersons; funeral establishments; funeral directors; embalmers; apprentice embalmers; crematories; crematory managers; and cremated remains disposers. In addition to its licensing responsibilities, the Bureau regulates many aspects of the cemetery and funeral profession. Among other duties, its field staff investigate complaints lodged by consumers, and perform ongoing site visits to ensure cemeteries, funeral establishments and crematories follow regulatory requirements. The Bureau's auditors review financial records, and perform on-site examinations to ensure funeral establishments and cemeteries properly administer trust funds, including funds consumers prepay for goods and services, and the endowment trust funds cemeteries deposit when consumers purchase graves and other interment spaces. The Bureau also has enforcement staff who initiate disciplinary actions and work with the California Attorney General's Office to pursue necessary legal actions for violations of law.

#### **Endowment Care Cemeteries**

California law requires each privately-owned cemetery established on or after September 7, 1955 to be an endowment care cemetery. These cemeteries must create an endowment care trust fund through a written trust agreement executed by their boards of directors, and are required to deposit funds to the trust for each interment space they sell.<sup>1</sup> As **Table 1** shows, there are various types of interments cemeteries sell, and each has a minimum required deposit. The deposits cemeteries make to endowment care forms what is known as the principal of the trust. The law prohibits the expenditure of this principal. Rather, it must be invested with the intent to earn income for the general care and maintenance of the cemetery.

<sup>&</sup>lt;sup>1</sup> Most cemeteries pass these required deposits on to their customers in the form of fees added to the price of the interment spaces the cemeteries sell.

Table 1: Required Minimum Deposits for Endowment Care			
Type of Interment Space	Minimum Deposit		
Graves <sup>1</sup>	\$117		
Crypts <sup>2</sup>			
Single	\$220		
Each Additional Companion Crypt	\$110		
Niches <sup>3</sup>	\$70		
Scattering of Cremated Remains <sup>4</sup>	\$70		

Source: Health and Safety Code, Section 8738.

<sup>1</sup> A "Grave" is a space of earth, used, or intended to be used, for the disposition of human remains. State law requires cemeteries to deposit a minimum of \$4.50 per square foot for each grave they sell. The amount shown above assumes a grave size of 26 square feet ( $$4.50 \times 26 = $117$ ).

<sup>2</sup> A "Crypt" is a space, used or intended to be used, to entomb uncremated human remains.

<sup>3</sup> A "Niche" is a space used, or intended to be used, for the placement of cremated human remains.

<sup>4</sup> A "Scattering," for this report, is defined as the authorized dispersal of cremated remains in a defined area within a licensed cemetery.

State law further requires cemetery endowment care trust funds to be kept entirely separate from other cemetery funds, and requires each cemetery to appoint trustees to manage the trusts. These trustees are subject to various requirements, including the following duties:

- Administer the trust with reasonable care, skill, and caution.
- Adhere to investment requirements, including the duty to preserve trust property and make it productive.
- Take reasonable steps to defend actions that may result in a loss to the trust, including setting aside a reasonable percentage of the income from the trust to replace principal investment losses.

Ultimately, the intent of endowment care is to ensure privately-owned cemeteries are properly maintained, even after they have sold all of their interment spaces. State law defines endowment care as the following:

Endowment care is a provision for the discharge of a duty due from the persons contributing to the persons interred and to be interred in the cemetery and a provision for the benefit and protection of the public by preserving and keeping cemeteries from becoming unkept and places of reproach and desolation in the communities in which they are situated.

Source: California Health and Safety Code, Section 8736.

At essence, endowment care is like a retirement account for each privately-owned cemetery, with the beneficiaries being those interred in the cemetery and the general public. The core deposits added to the trust over a cemetery's economic lifetime form the principal from which

income is earned to pay for long-term maintenance and repair.<sup>2</sup> Without sufficient endowment care, privately-owned cemeteries are likely to fall into disrepair. As each cemetery fills up, sales decline and revenues fall, leaving diminishing funds available for maintenance and repair. As sales decline, there is also less funding available for security, which increases the risk of vandalism.

As stated by one of the leaders in the industry, "while present-day success depends upon currently generating sales and controlling expenses, the long-term success of a cemetery – what it looks like and how it is maintained when it is sold out – is directly related to the size of the endowment care fund. This is because the size of the endowment care fund is the principal determinant of how much income can be produced".<sup>3</sup>

### **Scope and Methodology**

Assembly Bill 180 (Bonilla, Chapter 395, Statutes of 2015) directed the Bureau to conduct a study to obtain information to determine if the endowment care levels of each cemetery the Bureau licenses are sufficient to cover the cost of future maintenance. It has required the Bureau to review the levels of endowment care that have previously been reported by the cemeteries, and report its findings and recommendations to the appropriate policy committees of the Legislature by January 1, 2018.

To formulate its methods, the Bureau invited the endowment care cemeteries it licenses to attend a November 2015 workshop to discuss potential approaches. From this workshop, a smaller focus group of industry experts was subsequently formed, which included representatives of 55 licensed cemeteries and the Executive Director of the Cemetery and Mortuary Association of California (CMAC), a non-profit organization that serves 104 cemeteries licensed by the Bureau.

In August 2016, the Bureau met with the focus group to discuss its plan of approach. At this meeting, and over the following weeks, the focus group assisted the Bureau to formulate its study methods, which included the following activities:

- Developing a questionnaire to obtain information from each cemetery.
- Identifying key financial information necessary for the study.
- Discussing the mathematical formulas and assumptions necessary to evaluate endowment care sufficiency, and identifying the future actions necessary to help ensure an adequate level of endowment care income for long-run cemetery maintenance.

<sup>&</sup>lt;sup>2</sup> State law allows cemeteries to expend endowment care fund income on cemetery maintenance and other administrative activities regardless of where they are in their economic lifecycles; a cemetery does not have to be full to start expending endowment care income. Historically, most of California's endowment care cemeteries expend all of the income generated by their endowment care funds each year.

<sup>&</sup>lt;sup>3</sup> Llewellyn, John F. <u>A Cemetery Should Be Forever: The challenge to managers and directors</u>, page 135. Tropico Press, Glendale, California, 1998.

Working with the focus group, the Bureau finalized its questionnaire in October 2016 and mailed it to the endowment care cemeteries. While working with the cemeteries to obtain responses to the questionnaire, the Bureau reviewed key financial information contained in endowment care trust reports and financial statements it receives from the cemeteries each year. This key financial information included trust assets, liabilities, cemetery maintenance costs, and income earned on investments over the 2012 through 2016 period. The Bureau subsequently met with the focus group during July and August 2017 to discuss the data and finalize its study methods. These methods are further detailed in Appendix A to this report.

The model presented in this study does not involve a detailed actuarial analysis of each endowment care cemetery the Bureau licenses. Such a study would require detailed information about cemetery property inventories; pricing; financial practices; operations and maintenance expenses; the timing and necessity of future capital projects; investment practices; and evaluating likely economic and investment cycles to project each cemetery's future financial picture under multiple economic scenarios, including market fluctuations, inflation, deflation, and future prices. Rather, this study, by necessity given the number of cemeteries it includes, uses a general model meant to provide an indicator of whether endowment care trust fund levels of the cemeteries the Bureau licenses will likely be sufficient to cover the cost of future maintenance and, working with experts from the cemetery industry, suggest recommendations that will help move the State forward to better ensure its privately-owned cemeteries do not become unkept places of reproach and desolation in the communities in which they are situated.

### **Results**

# Although Nearly All of the Cemeteries the Bureau Licenses Established Endowment Care Trusts, Most Were Not Required To

Of the 195 privately-owned cemeteries the Bureau licenses, 142 (73 percent) were established before the law requiring endowment care was enacted. Based on the language in the statute, these 142 cemeteries did not need to create endowment care trusts. Specifically, with a few exceptions, the law required any cemetery established on or after September 7, 1955 to be an endowment care cemetery, but did not grandfather-in cemeteries established before that date. As **Table 2** shows, 68 of the cemeteries the Bureau licenses were established before 1900, and 74 were established between 1900 and September 7, 1955, when the law began requiring endowment care.

Table 2: Licensed Cemeteries - By Year Established			
Year Established	Number of Cemeteries		
Before 1900	68		
1900 to September 7, 1955	<u>74</u>		
Subtotal	142		
On or After September 7, 1955	53		
Total	195		

Source: Cemeteries' responses to the Bureau's endowment care sufficiency questionnaire.

Four of the 142 cemeteries established prior to September 7, 1955 have never created endowment care trusts. The cemeteries were established before the law requiring endowment care was enacted, so they were not required to be endowment care cemeteries. Although these four cemeteries opted out, the other 138 cemeteries established prior to September 7, 1955 opted-in. As the law requires, once these cemeteries opted-in, they became endowment care cemeteries subject to all of the legal and regulatory requirements.

In evaluating the sufficiency of endowment care, a consideration of the age of cemeteries, and when they started to deposit funds to their trusts provides a partial explanation for endowment care shortfalls. As defined in this study, an endowment care *income shortfall* is the amount of additional income that would need to be generated from the trust to fully cover the maintenance costs of the interment spaces for which funds were deposited. In a simple example, a cemetery depositing \$100 for each grave that it sells, invests that \$100 with the intent to earn sufficient income to pay for the long-term maintenance of that grave. Under California law, spending the \$100 is not allowed. The cemetery can only spend the income earned from the investment of the \$100. To the extent that the income does not fully cover the cost of maintaining the grave, the endowment care trust is said to have a shortfall that must be made up from other sources, such as from cemetery operations.<sup>4</sup>

Another potential explanation for endowment care shortfalls is the inadequate minimum deposit requirements in past years. In 1939, State law required the following deposits for cemeteries choosing to establishment endowment care trusts:

- At least \$6.50 per grave
- At least \$5 per niche
- At least \$15 per crypt

These minimums slowly increased over the years, but may never have been enough to ensure the trusts were sufficiently funded to cover long-run cemetery maintenance costs. As late as 2008, minimum deposit rates were a mere \$58.50, \$35 and \$100 respectively. The current rates shown in **Table 1** came into effect on January 1, 2009<sup>5</sup>. As Appendix C shows, the minimum deposits that California requires are still lower than most other states.

<sup>&</sup>lt;sup>4</sup> In the long-run, when the cemetery is sold out, there may not be another source to make up this shortfall. At that point, the endowment care trust would be expected to fully cover all cemetery maintenance costs.

<sup>&</sup>lt;sup>5</sup> See Appendix B for a more detailed history of the required minimum endowment care deposits.

# Although Endowment Care Cemeteries Deposit at Least the Minimum Amounts Required by Law, There is a Substantial Statewide Shortfall

Over the past five years that we reviewed, all the endowment care cemeteries reported depositing at least the minimum required amounts for endowment care spaces they sell. <sup>6</sup> As **Table 3** shows, in 2016 average deposits were well above the required minimums.<sup>7</sup>

Table 3: Reported Endowment Care Deposits for 2016				
Type of Interment Space <sup>1</sup>	Minimum Required Deposit	Average Deposit <sup>3</sup>	Highest Amount Reported	
Adult Single Grave <sup>2</sup>	\$ 117	\$ 329	\$ 3,446	
Single Crypt	\$ 220	\$ 425	\$ 2,940	
Single Niche	\$ 70	\$ 301	\$ 16,128	
Scattering	\$ 70	\$ 83	\$ 343	

Source: Annual endowment care annual reports and financial statements the cemeteries provide to the Bureau as required by Business and Professions Code, Section 7612.6.

<sup>1</sup> See Table 1 for definitions of the different types of interments.

<sup>2</sup> State law requires cemeteries to deposit a minimum of \$4.50 per square foot for each grave they sell. The amounts shown assume a grave size of 26 square feet.

<sup>3</sup> The average is calculated as the simple mean by dividing the total of cemeteries' reported deposit amounts by the number of cemeteries.

In 2016, approximately 60 percent of endowment care cemeteries reported depositing more than the minimum amounts required by law. Some cemeteries deposit much more than the required minimums. For example, one cemetery reported depositing \$3,446 per grave space. This same cemetery indicated that it deposits \$545 per crypt and \$674 per niche. As **Table 3** shows, other cemeteries reported depositing even higher amounts for the crypts and niches they sell.

Although cemeteries deposit at least the minimum amounts the law requires, statewide, the costs of maintaining California's privately-owned cemeteries exceeds the income generated from the cemeteries' endowment care trusts. As of December 31, 2016, the 180 endowment care cemeteries included in the Bureau's analysis reported that they have sold approximately 8,291,197 interment spaces for which they have contributed to endowment care. As **Table 4** shows, the total long-run estimated cost to maintain these spaces is \$94,007,676 per year. However, the total income earned on endowment care trust investments during 2016 was \$41,320,051 – leaving an income shortfall of \$52,687,625.

<sup>&</sup>lt;sup>6</sup> Of the 195 cemeteries the Bureau licenses, 15 are not included in the study: four did not establish endowment care trusts; five are small, privately-owned cemeteries created solely for family interments on private estates, and have no public sales; the other six have not provided required annual reports necessary to evaluate the sufficiency of their endowment care funds. The Bureau is in the process of ensuring the collection of required annual reports from these cemeteries.

<sup>&</sup>lt;sup>7</sup> 2016 is the most recent year for which the Bureau has data on cemeteries' endowment care fund deposit rates.

Table 4: Endowment Care – Shortfall for Spaces Already Sold, as of December 31, 2016						
Total Spaces Sold	Net Market Value of Endowment Care Trusts <sup>1</sup>		Estimated Long-run Annual Maintenance Cost	2016 Endowment Care Income	2016 Income Shortfall	Additional Endowment Care Needed
		Total	\$94,007,676	\$41,320,051	\$52,687,625	\$1,130,635,730
8,291,197 \$1,200,795,074		Per Space	\$11.34	\$4.98	\$6.35	\$136.37

Source: The Bureau's analysis of geographic data provided by the cemeteries in response to the Bureau's endowment care sufficiency questionnaire, and annual endowment care reports and financial statements the cemeteries provide to the Bureau as required by Business and Professions Code, Section 7612.6.

<sup>1</sup> Net market value is the total market value less liabilities, where total market value is the cash value of trust assets and liabilities are expenses the trust has incurred but not yet paid.

Over the past five years, on average, endowment care trusts have earned a 4.66 percent yield on investments (\$4.66 in income available for cemetery maintenance for every \$100 dollars in the trusts). With this yield, making up the \$52,687,625 income shortfall would require adding \$1,130,635,730 to the trusts. With this additional amount, income earned from investments would fully cover the annual costs of maintaining the endowment care spaces the cemeteries have already sold. Calculating this shortfall by space, in total, endowment care trusts are underfunded by about \$136 per space that the cemeteries have already sold.

Looking to the future, as of December 31, 2016, the cemeteries projected that they have approximately 3,998,022 spaces remaining to sell in their inventories.<sup>8</sup> As summarized in Table 5, estimating the average annual cost to maintain each space as \$11.34, fully funding the endowment care trusts for future spaces the cemeteries sell would require \$972,909,206 of additional funds, which is approximately \$243 per space.

Table 5: Endowment Care Needed to Maintain Future Spaces the Cemeteries Sell				
Remaining Spaces to Sell		Cost of Maintenance	Additional Endowment Care Needed	
3,998,022	Total	\$41,619,229	\$972,909,206	
	Per Space	\$11.34	\$243.35	

Source: Cemeteries responses to the Bureau's endowment care sufficiency questionnaire, and annual endowment care reports and financial statements the cemeteries provide to the Bureau as required by Business and Professions Code, Section 7612.6.

Combining the current shortfall with the amount of endowment care needed to maintain future spaces the cemeteries sell, fully funding California cemeteries' endowment care trusts would require adding \$2,103,544,935 to the trusts over the remaining life of the cemeteries. As Table

<sup>&</sup>lt;sup>8</sup> These are estimates based on each cemetery's current plan for future interments. Cemeteries have the ability to change these projections based on factors such as the amount of land they have available for development and consumer demand for the various types of interments they offer.

**6** shows, to achieve this, on average, the trusts will need to grow by approximately \$526 for each space the cemeteries sell after December 31, 2016.<sup>9</sup>

Table 6: Total Additional Endowment Care Needed					
Current Shortfall			ed to Maintain Spaces	Total Additional Endowment Care Needed	
Spaces Already Sold	Additional Endowment Care Needed	Projected Remaining Spaces to Sell	Additional ECF Needed	Total	Total divided by remaining spaces to sell
8,291,197	\$1,130,635,730	3,998,022	\$972,909,206	\$2,103,544,935	\$526.15

Source: Cemeteries responses to the Bureau's endowment care sufficiency questionnaire, and annual endowment care reports and financial statements the cemeteries provide to the Bureau as required by Business and Professions Code, Section 7612.6.

#### Some Cemeteries May Face Challenges to Achieve Endowment Care Sufficiency

While some cemeteries appear to be on track, others may face challenges to achieve endowment care sufficiency. The statewide averages discussed above can be divided into three subpopulations of cemeteries:

- For 21 cemeteries, endowment care income appears to be sufficient to cover the longrun costs of maintaining the endowment care spaces they have already sold. Based on the information these cemeteries have provided to the Bureau, they have no current income shortfall, and their endowment care trusts will require only minimal future growth to ensure long-run sufficiency.
- For 117 cemeteries, endowment care income is not sufficient to cover the endowment care spaces they have already sold, and long-run sufficiency will require more significant trust growth. Over the past five years, on average, these cemeteries' endowment care trusts have earned a 5.44 percent yield on investments (\$5.44 in income available for cemetery maintenance for every \$100 dollars in the trusts). With this yield, making up the current income shortfall and covering the costs to maintain the future spaces they sell will require these cemeteries' endowment care trusts to grow by approximately \$431 for each space they sell after December 31, 2016.
- There are 42 cemeteries that may face additional challenges to endowment care sufficiency. These cemeteries tend to be small in size all but 6 are less than 100 acres and 34 were established before endowment care trusts were required. Over the past five years, these 42 cemeteries' endowment care investment earnings have lagged behind the statewide average. The cemeteries have averaged a 3.23 percent yield on investments (\$3.23 in income available for cemetery maintenance for every \$100 dollars in the trusts). Given the remaining amount of space the cemeteries projected as having available for sale and their reported maintenance costs, making up the current income shortfall and covering the costs to maintain future spaces that they sell will require these

<sup>&</sup>lt;sup>9</sup> These amounts are expressed in present values. Similar to the discussion of growth on page 13 of this report, to maintain the purchasing power of endowment care trust income, the actual amount of the deposits will need to grow at least by the rate of inflation.

cemeteries' endowment care trusts to grow by approximately \$2,876 for each space they sell after December 31, 2016.

Although these cemeteries may face some challenges, their situations could change. Endowment care sufficiency could be achieved with smaller deposits. As discussed in the Scope and Methodology of this report, there are many variables that affect endowment care sufficiency. Addressing current income shortfalls, and working toward long-run sufficiency is a target to which cemeteries and the trustees can adjust their strategies over time. One of these strategies involves growing endowment care trusts through increased deposits. There are other strategies for growth.

#### Strategies for Endowment Care Growth

Once the State's minimum deposit requirements are met, the extent to which other strategies for endowment care trust growth are exercised is largely at the discretion of the cemeteries and their endowment care trustees. Other than ensuring their cemeteries meet the State's minimum deposit requirements, other strategies for endowment care trust growth include the following:

#### **Increase Deposits**

Cemeteries could increase the amount of their deposits to a level that would help ensure longrun sufficiency. Using the analysis above, on average, California's cemeteries would deposit \$526 for each interment space they sell after December 31, 2016. Because this is a statewide average, each cemetery would need to look closely at its endowment care trust to determine the proper amount to deposit for their cemetery. As discussed above, some cemeteries could deposit less than \$526 per space to ensure sufficiency. Some may need to deposit more.

#### Invest for Growth

In addition to deposits and deferring income, endowment care trusts may also grow through investment practices that maximize total returns on investments. Total returns include unrealized gains, which occur when the value of an investment (what it could be sold for now) exceeds the cost of an investment (what the investor paid for it). Although these gains or "profits" are only on paper – they are not actual cash that can be spent – they add value to an endowment care trust, and can influence other returns on investments, such as the amount of realized income (through dividends for example) earned from the trust. As discussed in the Introduction, one of the duties of trustees is to make endowment care assets productive. This is another way to say "make them grow" by maximizing the total return on investments.

#### Management Efficiencies

Cemeteries can attempt to maximize the use of space while minimizing the costs of long-run maintenance. Cemeteries have options in determining the inventories they have available for sale – depending on their location, market, and many other factors. The greater the density, the more spaces that can be sold, and the higher the expected total deposits to an endowment care trust. Even when a cemetery seems full, it may still have options to increase interment density. For example, older cemeteries may be able to eliminate roads or other structures to allow for

more interments. To the extent that a cemetery's deposits from interment sales more than offset the associated costs of maintenance, its endowment care shortfall is reduced.

#### Defer the Use of Income

In addition to the deposits cemeteries make from sales, deferring the use of income until it is needed could also help grow cemeteries' endowment care trusts. Historically, most of the endowment care cemeteries the Bureau licenses have expended all available endowment care income, regardless of the age and remaining life of their cemeteries. Deferring the use of income until later in a cemetery's lifecycle may help grow the trust through compounding the income over time; the income earns income. However, this may not be a realistic strategy for all cemeteries. Due to the lack of sales, or other factors, some may not generate enough revenue on their own to be able to afford to maintain their cemetery grounds. For these cemeteries, it may not be practical to defer the use of endowment care income.

### **Recommendations:**

1. Increase the minimum endowment care deposit rates specified in Health and Safety Code, Section 8738 as follows:

Table 7: Recommended Increased Minimum Deposits for Endowment Care			
Type of Interment Space	Minimum Deposit		
Graves	10 percent of net price <sup>1</sup> , or \$250, whichever is greater, and	the minimum deposit amount of \$250 increases (or decreases) annually with the Consumer Price Index, starting January 1, 2020.	
Crypts	10 percent of net price, or \$250, whichever is greater, and	the minimum deposit amount of \$250 increases (or decreases) annually with the Consumer Price Index, starting January 1, 2020.	
Niches	10 percent of net price, or \$150, whichever is greater, and	the minimum deposit amount of \$150 increases (or decreases) annually with the Consumer Price Index, starting January 1, 2020.	
Scattering	10 percent of net price, or \$150, whichever is greater, and	the minimum deposit amount of \$150 increases (or decreases) annually with the Consumer Price Index, starting January 1, 2020.	

<sup>1</sup> Net price is the retail price less any discounts the cemetery provides to consumers for the purchase of an interment space.

To form its recommendation, the Bureau reached out to other state regulatory authorities to obtain information about the endowment care deposits their states require of privately-owned cemeteries. Appendix C summarizes the other state's requirements.

The Bureau also discussed the recommendation with the focus group of industry experts who assisted with its study methods. The focus group participants agreed that an increase in the minimum deposit amounts is necessary, and generally agreed with the net price method identified above. Further, the focus group participants provided net price data to the Bureau to help inform whether the rates in **Table 7** above would, on average, help ensure the endowment care trusts of the cemeteries the Bureau licenses are sufficient to pay for long-run cemetery maintenance. The Bureau evaluated the net price data the participants provided. Its evaluation shows that the above increases could result in average deposits of \$562 for each grave, \$914 for each crypt, and \$354 for each niche sold going forward. Further, with the change, the median deposit across all types of interment spaces is estimated to be \$536, which is approximately equal to the statewide average deposit of \$526 necessary for endowment care sufficiency identified in **Table 6** of this report.

2. The Bureau will continue to collect necessary data and monitor cemetery endowment care trust activity. The Bureau should conduct a follow up study, and provide a follow-up report to the appropriate policy committees of the Legislature by January 1, 2023.

### Appendix A – Scope and Methodology

#### **Data Collection and Methods**

To evaluate endowment care sufficiency, the Bureau gathered key information about each of the endowment care cemeteries it licenses, including the following historical financial data collected from annual reports the cemeteries provided to the Bureau over the 2012 through 2016 period:

- Market values of endowment care assets.
- Income earned on endowment care investments.
- Cemetery maintenance expenses.
- Amounts cemeteries report depositing to their endowment care trusts to comply with Health and Safety Code, Section 8738.

In addition to financial data, the Bureau mailed a questionnaire to the 191 endowment care cemeteries it licenses to obtain key information about each cemetery's size and interments. All 191 cemeteries responded to the questionnaire, which is included as Attachment 1 to this Appendix. Of the 191 cemeteries that responded to the Bureau's questionnaire, 11 are not included in the study: five are small, privately-owned cemeteries created solely for family interments on private estates and have no public sales; the other six have not provided required annual reports necessary to identify the key financial data necessary to evaluate the sufficiency of their endowment care trusts. The Bureau is in the process of ensuring the collection of the required annual reports from these cemeteries.

For the remaining 180 endowment care cemeteries, the Bureau used the above information to evaluate endowment care sufficiency on a statewide basis. Specifically, coupling the key financial information it obtained from each cemetery with information obtained from its questionnaire, the Bureau estimated the following:

- The current state-wide endowment care shortfall as of December 31, 2016.
- The additional endowment care funds necessary to cover the current shortfall as well as ensure future spaces the cemeteries sell are properly cared for.

The analysis is shown in Attachment 2 to this Appendix, which also aligns with the information presented on pages 5 through 7 of the report.

In addition to gathering key information about each of the endowment care cemeteries it licenses, the Bureau reached out to other state regulatory authorities to obtain information about the endowment care deposits their states require of privately-owned cemeteries to help form its recommendations. Appendix C summarizes the other state's requirements.

#### A Discussion of the Study's Assumptions

Any model used to predict the amount of endowment care necessary for the long-run cemetery maintenance relies on assumptions that may or may not turn out to be accurate over the long-term. Being transparent about these assumptions informs readers about the limitations of the data. The assumptions in this study include:

- 1. Long-run maintenance costs per space equal 80 percent of those incurred in 2016.
- 2. Cemeteries' endowment care trusts will continue to average a 4.66 percent yield on investments.
- 3. The value of the endowment care trusts grow at least at the rate of inflation after available income is distributed to the cemeteries and all trust expenses are paid.
- 4. Cemeteries and trustees comply with all laws and regulations for the preservation of endowment care principal.
- 5. In responding to the Bureau's questionnaire, if a cemetery did not know the remaining interment spaces available for sale, the study assumed a standard rate of 1,500 spaces per acre.
- 6. The use of substitute measures for missing data.

#### Long-run Maintenance Costs

Once a cemetery is no longer economically profitable, it is reasonable to assume it will have fewer staff and lower overall costs. Additionally, costs may also decrease as the level of necessary maintenance decreases. California law sets minimum maintenance standards for the cemeteries the Bureau licenses. However, cemeteries set their own maintenance standards as well, and the maintenance they perform while they are actively selling interment spaces may be at a higher standard than what is required by law. Ultimately, the cemeteries the Bureau licenses are private businesses. The cemeteries may revert to the minimum maintenance standards once they are no longer economically productive.

#### Average Yields

Regarding the second assumption above, there is no way to tell whether endowment care trusts will continue to average a 4.66 percent yield on investments. Yields could increase or decrease. For the purposes of this study, we assume the endowment care trusts continue to earn the average yield on investment experienced during the 2012 through 2016 period.

#### Growth

Regarding the third assumption, once the cemetery is sold out and is no longer contributing to endowment care, the value of its investments must still grow at least at the rate of inflation. With no growth, the loss of purchasing power will occur. For example, a 4.66 percent annual yield on an endowment care trust valued at \$1,000,000 is an annual income of \$46,600 distributable to the cemetery for maintenance. This income will lose purchasing power with inflation. At a two-percent rate of inflation, the purchasing power of \$46,600 declines to \$38,228 in ten years.<sup>10</sup> In this example, after income is distributed to the cemetery, the value of the endowment care

<sup>&</sup>lt;sup>10</sup> Real purchasing power is the reciprocal of 1 + the inflation rate to the *x* power times the annual income, where *x* is the number years from the time the investment is valued. In the example, the real purchasing power of a fixed \$46,600 income after 10 years with a two-percent rate of inflation is calculated as:  $46,600 \times (1 / (1 + 0.02)^{10}) = 46,600 \times 0.8203 = 38,228$ .

principal would need to grow at two-percent per year in order to maintain the same purchasing power over time.

#### Preservation of Endowment Care Principal

Regarding the fourth assumption, the study assumes all deposits made to the endowment care trust are preserved. Current law helps ensure the preservation of trust principal. It does not allow for the expenditure of principal, requires at least 50 percent of realized capital gains be added to principal each year, and requires trustees to set aside a reasonable percentage of the income from the trust to replace principal investment losses.

#### Spaces per Acre

In responding to the Bureau's questionnaire, each cemetery estimated either the remaining number of interment spaces it anticipates selling or, if it lacked this data, estimated the remaining acreage it anticipates being developed for sale as an indicator of the potential for future endowment care collections. In discussion with experts within the cemetery industry, it is common practice to estimate 1,500 spaces per acre for planning purposes. To the extent that cemeteries inter more than 1,500 spaces per acre, this could reduce the average endowment care deposits required per space discussed in the Results section of this report.

#### Missing Data

In instances where the Bureau had not yet received a 2016 report from a cemetery, either because the report was not yet due or because it was late and the Bureau was in the process of taking necessary action to obtain the report, it used the data available for the 2012 through 2015 period to evaluate endowment care trust sufficiency. Where average income yields for a particular year were necessary to summarize statewide data, the Bureau applied the average yield for the cemeteries reporting to the cemeteries that had not yet reported so as to not skew the data.

#### Appendix A: Attachment 1 – Questionnaire Mailed to the Endowment Care Cemeteries



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 CEMETERY AND FUNERAL BUREAU

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October 24, 2016

First And Last Name, Title Cemetery Authority Name – COA # Mailing Address City, State, Zip

RE: Cemetery Endowment Care Fund Sufficiency Study

Dear Cemetery Manager,

As you know, Assembly Bill 180 (Bonilla, Chapter 395, Statutes of 2015) became effective January 1, 2016 and requires the Cemetery and Funeral Bureau (Bureau) to conduct a study to obtain information to determine if the endowment care fund levels of each licensee's cemetery are sufficient to cover the cost of future maintenance. Furthermore, the Bureau is required to report its findings and recommendations to the Legislature by January 1, 2018 (Business and Professions Code Section 7612.11).

To conduct the study, the Bureau requires information about your cemetery property. Please respond to all of the questions in Section I below. Additionally, if the cemetery has a master plan for development and/or is able to respond to the questions in Section II, please answer those questions as well.

#### Section I – Please answer each question; do not leave any questions blank.

- 1. What year was the cemetery established? \_\_\_\_
- 2. What is the total size (developed and undeveloped) of the cemetery in acres?
- 3. Developed Cemetery Property:
  - a. How many total <u>acres</u> has the cemetery sold for interment, including preneed sales, as of the date of this letter?
  - b. Of the total acres the cemetery has sold for interment (in 3a), how many acres contain spaces for which endowment care fees have been collected?
- 4. How many total acres (developed and undeveloped) of cemetery property are remaining to be sold (i.e., as yet unsold) as of the date of this letter?

#### Section II – If known, please respond to the following questions.

5. What year did the cemetery start collecting endowment care fees?

6. How many total <u>spaces</u> has the cemetery sold for interment, including preneed sales, as of the date of this letter?

Note: For the purpose of the study, a "space" is defined as an area in which a casket can be placed <u>or</u> a niche for cremated remains. For example, count each ground space or crypt as one space; count companion graves or crypts as two spaces; and count each niche as one space regardless of the number of urns it may contain.

#### Section II – Continued

- 7. Of the total spaces the cemetery has sold for interment (in 6), how many spaces have contributed to endowment care?
- 8. Based on your best estimation, how many interment spaces does the cemetery have remaining to be sold (i.e., as yet unsold) in all developed and undeveloped acreage as of the date of this letter?

The Bureau appreciates your assistance in fully responding to each of the questions in Section I above, and any information you can provide in response to the questions in Section II. Please return your responses to the Bureau at the letterhead address by January 2, 2017.

If you have any questions, please contact David Edwards of my staff at 916.574.7884. Thank you for your time and attention to this very important matter.

Sincerely,

Lisa M. Moore, Chief Cemetery and Funeral Bureau

Line #	Estimating Current Endowment Care Shortfall	Amount	Sources	Line #	Estimating Endowment Care Needed for Future Spaces to be Sold	s to be Sold	
1	2016 Net Market Value of Endowment Care Trusts <sup>1</sup>	\$ 1,200,795,074	Annual Reports (AR) and				
2	2016 Income Available for Cemetery Maintenance	\$ 41,320,051	Financial Statements (FS) <sup>2</sup>				
ო	Average Income Yield for Cemetery Maintenance 2012 through 2016	4.66%	Annual Reports (AR) and Financial Statements (FS)				
4	Estimated Annual Maintenance Expenses at End of Life	\$ 94,007,676	Annual Reports (AR) and Financial Statements (FS)				
5	Income Shortfall	\$ (52,687,625)	Calculation: Line 2 - Line 4			Amount	Source
9	Total Endowment Care Spaces Sold Since Inception	8,291,197	Cemetery Questionnaire (Appendix A, Table 2).	12	Total Future Spaces to be Sold	3,998,022	Cemetery Questionnaire (Appendix A, Table 2).
~	Average Annual Maintenance Expense per Endowment Care Space Already Sold	\$ 11.34	Calculation: Line 4 / Line 6	13	Annual Maintenance Expense per Space Already Sold \$	11.34	Line 7
00	Annual Maintenance Expense per Space Covered by ECF Income	\$ 4.98	Calculation: Line 2 / Line 6	14	Estimated Annual Maintenance Costs for Future Spaces to be Sold	45,337,569	Calculation: Line 12 x Line 13
6	Current Income Shortfall per Space	\$ 6.35	Calculation: Line 7 - Line 8				
	Amount of Additional Endowmane Care Necessary to	(A)			Additional Endowment Care Necessary to Fully Fund	(B)	
10	Cover Maintenance Costs for Spaces Already Sold	\$ 1,130,635,730	Calculation: Line 5 / Line 3	15	Ф	972,909,206	Calculation: Line 14 / Line 3
11	Total Shortfall per Space Already Sold	\$ 136.37	Calculation: Line 10 / Line 6	16	Endowment Care Necessary to Cover Future Sales \$	243.35	Calculation: Line 15 / Line 12
					· (B) = Total Additional ECF Required at End of		
				16	Life: \$ 2,	\$ 2,103,544,936	Calculation: Line 10 + Line 15
				17	2016 Net Market Value of Endowment Care Trusts <sup>1</sup> \$ 1,	1,200,795,074	Line 1
				18	Total Endowment Care Needed to End of Life \$3,	3,304,340,010	Line 16 + Line 17
				19	Total Endowment Care Per Space Going Forward \$	526.15	Line 16 / Line 12
				20	Future ECF Fee per Square Foot @ 26 sq. ft. per Space \$	20.24	Line 19/26

Appendix A: Attachment 2 – Endowment Endowment Care Sufficiency Calculation Worksheet

Sources: As referenced in the table.

<sup>1</sup> Net market value is the total market value less liabilities as of December 31, 2016, where total market value is the cash value of trust assets, and liabilities are expenses the trust has incurred but not yet paid.

<sup>2</sup> Analysis of annual reports and financial statements the cemeteries provide to the Bureau as required by Business and Professions Code, Section 7612.6.

#### Appendix B: Historical Minimum Endowment Care Trust Deposits for Endowment Care Cemeteries<sup>1</sup>

The Table below summarizes the minimum endowment care deposits required from inception of the law to the present. Cemeteries established before September 17, 1955 were not required to be endowment care cemeteries. However, as discussed on page 4 of the report, most have chosen to establish endowment care trusts. Once these cemeteries opted-in, they became endowment care cemeteries subject to the minimum deposit requirements. As the Table shows, there have been many adjustments to the required minimums over the years

Law		Required Deposit Amounts per Space <sup>3</sup>						
	Graves			Niches	Crypts		Scattering	
Stats.1939, c. 60, p. 713, § 8738 <sup>2</sup>	\$	6.50	\$	5.00	\$	15.00	\$	-
Stats.1951, c. 176, p. 428, § 29;	\$	13.00	\$	5.00	\$	30.00	\$	-
Stats.1957, c. 1635, p. 3004, § 4;	\$	16.90	\$	10.00	\$	40.00	\$	-
Stats.1961, c. 480, p. 1577, § 1;	\$	22.10	\$	10.00	\$	40.00	\$	-
Stats.1969, c. 983, p. 1954, § 10;	\$	26.00	\$	10.00	\$	40.00	\$	-
Stats.1976, c. 525, p. 1276, § 3;	\$	32.50	\$	15.00	\$	50.00	\$	-
Stats.1980, c. 460, p. 969, § 1;	\$	39.00	\$	20.00	\$	60.00	\$	-
Stats.1986, c. 270, § 1;	\$	45.50	\$	25.00	\$	75.00	\$	-
Stats.1992, c. 797 (A.B.3746), § 10;	\$	58.50	\$	35.00	\$	110.00	\$	-
Stats.2008, c. 545 (S.B.1135), § 1.)	\$	117.00	\$	70.00	\$	220.00	\$	70.00

Source: Statutes Applicable to the Enacting of and Amendments to Health and Safety Code, Section 8738.

1 The amounts shown do not include minimum initial deposits required for newly established cemeteries. For example, cemeteries established after January 1, 1977 were required to place a \$35,000 initial deposit to their endowment care funds as a condition of receiving a Certificate of Authority (cemetery) license.

<sup>2</sup> Read as "Statutes of 1939, Chapter 60, Page 713, Section 8738." Accessible electronically at the Website of the California Assembly, Office of the Chief Clerk:

3 Amounts shown are the minimum required deposits for a single interment space of the type listed. For graves, the amounts shown assume a grave size of 26 square feet. For example, in 1939 cemeteries that chose to establish endowment care trusts were required to deposit at least 0.25 per square foot of grave space that they sold. This minimum deposit equated to  $0.25 \times 26 = 6.50$ . Starting in 1957, the law added stipulations for the purchase of double interment spaces, which are not shown in the table. For example, in 1957 the law required a \$40 minimum deposit for a single crypt and lowered the required minimum deposit to \$20 for each additional crypt that a consumer purchased. See Table 1 of the report for definitions of the different types of interments.

#### Appendix C: Comparing Minimum Endowment Care Trust Deposit Rates Across States

The Cemetery Bureau reached out to other state regulatory authorities to obtain information about the endowment care deposits their states require of privately-owned cemeteries to help form its recommendations. The Table summarizes the other state's requirements as of August 1, 2017, and is sorted from highest to lowest required minimum deposits. As the table shows, most states require cemeteries to deposit a percentage of the price of each interment to their trusts for each interment they sell. Some states base the minimum deposit amounts on the gross sales price, which is the retail price that would be listed, for example, on a cemetery's price list. Other states base their minimum required deposits on the net price the cemetery receives from the sale of an interment, which is the gross price less any discounts the cemetery provides to consumers for the purchase of an interment spaces. Tying the minimum deposit amount to the price of each interment spaces. Torida, and Illinois also set a minimum deposit amount to the trusts, while Georgia ties its minimum required deposits to the consumer price index, which is an index of the variation in prices paid by typical consumers for retail goods and other items.

	Type of Interment Space and Required Minimum Deposits						
State	<b>Graves</b> <sup>1</sup>	Lawn Crypts <sup>2</sup>	Mausoleum Crypts <sup>2</sup>	Niches <sup>3</sup>			
Minimum Required Endowment Care Trust Deposits Based on Percent of Interment Price							
New Mexico	25% of net price	25% of net price	10% of net price	10% of net price			
Arkansas	20% of gross price	5% of gross price	5% of gross price, but not less then \$40	5% of gross price			
Iowa	20% gross price with minimum of \$50	20% gross price with minimum of \$50	20% gross price with minimum of \$50	20% gross price with minimum of \$50			
Kentucky	20% of gross price; minimum of \$20 per grave space	5% of gross price with minimum of \$25 per crypt space	5% of gross price with minimum of \$25 per crypt space	10% of gross selling price with minimum of \$15 per niche			
Minnesota	20% of net price	20% of net price	10% of net price	10% of net price			
Tennessee	20% of net price; minimum of \$0.5 per square foot of grave space (sq,ft.)	20% of the net sales price of the land excluding the lawn crypt; minimum of \$50.	10% of net price	10% of net price			
Michigan	15% of all gross price; minimum of \$20	15% of all gross price; minimum of \$20	15% of all gross price; minimum of \$20	15% of all gross price; minimum of \$20			
Illinois	The greater of \$1 per sq. ft. or 15% of gross price; minimum of \$25 for each interment right.		10% of the gross price with a minimum of \$25 for each entombment right.	10% of the gross price with a minimum of \$15 for each inurnment right.			
Alabama	15% of net price	15% of net price	5% of net price	5% of net price			
Colorado	15% of net price	10% of net price	10% of net price	10 % of net price			
Georgia	15% of the net price with a minimum of \$65. Minimum of \$65 changes with CPI.	15% of the net price with a minimum of \$65. Minimum of \$65 changes with CPI.	7.5% of net price with a minimum of \$65. Minimum changes with CPI.	7.5% of net price with a minimum of \$65. Minimum changes with CPI.			
Indiana	Greater of 15% of net price or \$0.80/ sq. ft.	Greater of 15% of net price or \$0.80/ sq. ft.	Greater of 8% of net price or \$100 per crypt	\$20 per niche			
Kansas	15% of the net price; minimum of \$25.	5% of the net price but not less than \$50 for each crypt.	10% of the net price but not less than \$100 per crypt.	5% of the net price, but not less than \$50			

Continued from previous page.

State	Type of Interment Space and Required Minimum Deposits						
State	<b>Graves</b> <sup>1</sup>	Lawn Crypts <sup>2</sup>		Niches <sup>3</sup>			
Minimum Required Endowment Care Trust Deposits Based on Percent of Interment Price							
Missouri	15% of gross price; minimum of \$20 for each space	10% of gross price; minimum of \$75 per grave space	Community mausoleums - greater of 10% of gross price or \$100 per crypt. Garden mausoleums - greater of 10% of gross price or \$100 for each crypt	Community mausoleums - greater of 10% of gross price or \$100 per crypt. Garden mausoleums - greater of 10% of gross price or \$100 for each crypt			
Oregon	15% of gross price; minimum of \$5	15% of gross price; minimum of \$5	5% of gross price	5% of gross price			
Pennsylvania	15% of gross price; minimum of \$1 per sq.ft.	15% of gross price; minimum of \$1 per sq.ft.	15% of the construction cost of each crypt; \$50 minimum	15% of the construction cost of each crypt; \$50 minimum			
Mississippi	15% of net price; minimum of \$0.40 per sq. ft.	15% of net price; minimum of \$0.40 per sq. ft.	5% of net price; minimum of \$50	5% of net price; minimum of \$10			
Texas	15% of net price; minimum of \$1.75 per sq./ft.	7% of net price; minimum of \$105 (or \$60 if crypt is accessible only through another crypt)	7% of purchase price; minimum of \$105 (or \$60 if crypt is accessible only through another crypt)	7% of purchase price; minimum of \$105 (or \$60 if crypt is accessible only through another crypt)			
Wisconsin	15% of net price; minimum of \$25	15% of net price; minimum of \$25	25% of net price until the care fund equals 25% of the cost of construction	25% of net price until the care fund equals 25% of the cost of construction			
Louisiana	10% of gross price	10% of gross price	10% of gross price	10% of gross price			
Maryland	10% of gross price	10% of gross price	10% of gross price	10% of gross price			
Oklahoma	10% of gross price	10% of gross price	10% of gross price	10% of gross price			
Washington	10% of gross price	10% of gross price	10% of gross price	10% Gross Price; minimum of \$5			
Florida	10% of net price; minimum of \$25 per burial right	10% of net price; minimum of \$25 per burial right	10% of net price; minimum of \$25 per burial right	10% of net price; minimum of \$25 per burial right			
Idaho	10% of net price, minimum \$10	Does not stipulate	\$25 per crypt	\$5 per niche			
North Carolina	10% of net price; minimum \$100	10% of net price; minimum \$100	10% of net price; minimum \$100	10% of net price; minimum \$100			
Ohio	10% of net price	10% of net price	10% of net price	10% of net price			
South Carolina	10% of net price; minimum of \$40	10% of net price; minimum of \$40	5% of net price; minimum of \$100	5% of net price; minimum of \$100			
Virginia	10% of Net Price	10% of Net Price	10% of Net Price	10% of Net Price			
West Virginia	10% of net price, minimum \$10	10% of net price, minimum \$10	5% of Net Price	5% of Net Price			

Continued from previous page.

State	Type of Interment Space and Required Minimum Deposits					
Otate	Graves <sup>1</sup> Lawn Crypts <sup>2</sup>			Niches <sup>3</sup>		
Minimum Required En	dowment Care Trust D	eposits Fixed. (Not Ba	sed on Percent of Inter	ment Price)		
Nevada	\$5 per sq.ft	\$5 per sq.ft	\$125 adult crypt; \$125 for first adult crypt of a tandem companion mausoleum crypt; \$100 each additional crypt; \$60 each crypt that is less than half the size of adult crypt	\$40 each niche		
California	\$4.5 per sq. ft.	\$4.5 per sq. ft.	\$220 per crypt but if companion crypt then \$220 for first and \$110 for each additional	\$75 per space		
Arizona	\$2.75 per sq. ft.	\$120 each	\$120 each	\$36 each		
Utah	\$1.50 sq.ft.	\$1.50 sq.ft.	\$60 each crypt	\$60 each crypt		
Hawaii	\$1 per sq. ft. of interment space	\$1 per sq. ft. of interment space	\$50 each crypt	\$15 each		
Nebraska	\$.25 per sq. ft. for each lot sold in a park plan or memorial plan cemetery; \$.50 per sq. ft. of each lot sold in a monument plan cemetery or a combined monument and park plan cemetery	\$.25 per sq. ft. for each lot sold in a park plan or memorial plan cemetery; \$.50 per sq. ft. of each lot sold in a monument plan cemetery or a combined monument and park plan cemetery	10% of the net price; minimum of \$50	10% of the net price; minimum of \$25		
Delaware	No Law	No Law	No Law	No Law		

Source: Data that the Bureau collected from other States.

<sup>1</sup> A "Grave" is a space of earth, used, or intended to be used, for the disposition of human remains. "Sq. ft." refers to a minimum required deposit for each square foot of grave space.

Interment in a mausoleum occurs in a structure or building for the entombment of human remains, while lawn crypts can include stand-alone above-ground entombments.

<sup>3</sup> A "Niche" is a space used, or intended to be used, for the placement of cremated human remains.

Note: The Bureau did not obtain information about the minimum endowment care deposits other states require for scattering interments. A "Scattering," for this report, is defined as the authorized dispersal of cremated remains in a defined area within a licensed cemetery. As discussed on Page 2 of the report, California requires privately-owned cemeteries to deposit a minimum of \$70 to their endowment trusts for each scattering that occurs on their cemetery grounds.



# **Attachment G**

**November 2016 Cemetery and Funeral Bureau Fee Audit** 

## California Cemetery and Funeral Bureau– Fee Audit



#### Mission

The Cemetery and Funeral Bureau advocates consumer protection and licensee compliance through proactive education and consistent interpretation and application of the laws governing the death care industry.

> Capital Accounting Partners, LLC November 2016



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## **INTRODUCTION AND SCOPE**

The mission of the Cemetery and Funeral Bureau (Bureau) is to advocate for consumer protection and licensee compliance through proactive education and consistent interpretation and application of the laws governing the death care industry. The Bureau exists to empower California consumers and allow them to make informed end-of-life decisions in a fair and ethical marketplace. As such, it provides an important public safety function. This project aligns with the mission of the Bureau by developing the resources so that this mission can be fully executed. Without adequate financial resources, the Bureau cannot meet this important role of consumer protection.

This report summarizes the processes, procedures, and findings of the Bureau's fee audit. It details the analysis that resulted in calculations of cost for individual and institutional licenses issued by the Bureau for licensees operating in the State of California.

As part of a plan to maintain its fiscal integrity, the Bureau engaged Capital Accounting Partners to prepare a detailed cost analysis of its fees. The Bureau's objectives for the study were to ensure that the Bureau is fully accounting for all of its costs and recovering adequate revenues to be reimbursed for its expenses. The Bureau's only sources of revenue are fees charged for each of the various licenses and reports. Thus, the Bureau is fully self-supporting so it is vital that the fees charged to licensees fully recover the costs of the program.

The scope of this study included the following objectives:

- Calculate full cost of licenses;
- Determine a fair and equitable method of allocating non-fee expenses, such as enforcement, to each license type;
- Develop revenue projections for 10 years out to set the cap; and
- Review performance of core business processes.

The process used for collecting and analyzing the data required active participation by the Bureau's management and staff. We want to take this opportunity to recognize their participation, time, and effort to collect the data and discuss the analysis, results, and recommendations.

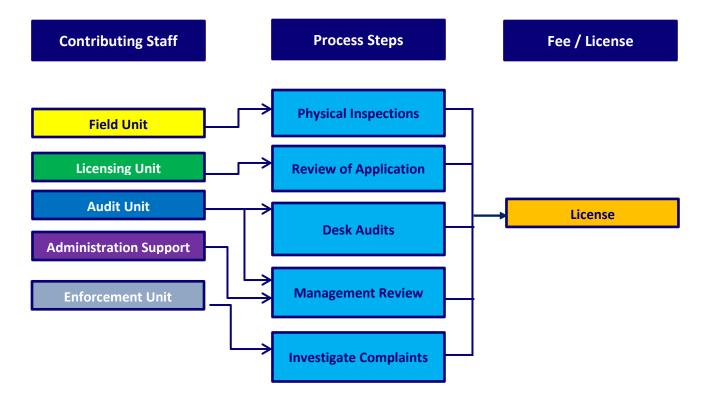
### SUMMARY OF COSTING METHODOLOGIES

### **DRIVER-BASED COSTING MODELS**

Developing a driver-based costing model is a detailed and robust method of calculating the cost of a specific service. It is based on the principles of activity-based costing so it seeks to understand cost at an operational level. This means it relies on understanding the time staff invests in core business processes to process licenses and certificates well as enforcement and administrative services. Graphically, the following figure illustrates this methodology.



#### Hypothetical Illustration of a Driver-based Costing Model



**Step 1: Collect Data** – This first step involves discussions with staff to identify those positions within each work unit that provide and support direct services. It also involves collecting program budget and expenditure data, identifying the salary and benefits for each position, and identifying non-personnel expenditures, as well as any program and Bureau overhead. Specifically, the steps involve the following:

- Identifying staff positions This includes identifying both position titles and names.
- Calculating the number of productive hours Frequently we will calculate the actual number of productive hours available on an annual basis. However, in this project we used the DCA precalculated number of 1,776 hours.
- Identifying and allocating non-personnel costs Costs for materials and supplies are allocated to the salary and benefits for each position.
- Assigning any other expenses that are budgeted in other areas There are often expenses that should be included with the total cost of services. Examples of such costs might include amortized capital expenses for vehicles and technology.
- Identifying core business processes or activities This step also involves discussions with staff to understand, at an operational level, the work of the operating unit. Core business processes used to provide services are identified and then defined by the tasks that are involved. Processes are also organized by direct and indirect categories.



- **Direct processes and activities** Those processes that directly contribute to the processing of an application are first identified. Evaluation of the license application is the most notable example.
- Indirect processes and activities Those processes that support, but do not directly apply to the processing of a specific license. An example of an indirect activity is customer service and cashiering.

**Step 2: Building cost structures** – This second step involves significant interaction with staff and the development of time estimates for both direct and indirect processes in each program area. Specifically, this step is at the core of the analysis. There are four processes that comprise this step:

- Gathering time estimates for direct processes By interviewing staff in individual and group meetings, an estimate of time was assigned to each service by the process that is indicated. The sum of all the process steps is the total time that is required to provide that specific service.
- Assigning indirect time An annual time estimate is gathered from staff for those indirect or support processes in which they are involved. These include Bureau as well as program administration, customer service, and subject matter experts.
- Calculating fully loaded hourly rates and the cost of service Once the total time for each direct and indirect service is estimated, the cost of service is calculated by using the fully loaded hourly rates for each staff member or position that is involved with the service. The fully loaded hourly rate for each employee is based on the employee's salary and benefit costs plus a share of non-personnel and Bureau overhead costs divided by the employee's available work hours (i.e. 2,080 hours minus all leave hours). Thus, the direct and indirect cost by activity also includes work unit and Bureau overhead as well as non-labor costs.
- Gathering activity or volume data A critical element in the analysis is the number of times a given license or certificate is provided on an annual basis. This is critical data for three reasons:
  - It allows a calculated projection of current revenue based on current prices. This is compared with actual revenue to see if there is a close match as the data should match.
  - It allows for a calculated projection of revenue at full cost. This is compared to actual expenditures to see if there is a close match as the data should match.
  - It allows for a calculation of total hours consumed. Hours consumed must closely match actual hours available.

If any of the three calculations do not approximate actual numbers, then time estimates and/or volume data need to be re-evaluated. These are critical quality checks for costing accuracy.

**Step 3: Allocating enforcement and other support activities** – This third step allocates enforcement activities to arrive at the full cost of service for each direct license or certificate. Thus, the final cost layers are brought together to establish the full cost of service. For the Bureau, this is a significant step as a high percentage of its costs are centered in enforcement and investigation activities.

**Step 4: Set cost recovery policy** – Depending on Bureau policies and other considerations, the level of cost recovery is a decision that should be made for each type or group of licenses. For example, the Bureau may want to subsidize some types of licenses with revenue from others.



#### Step 5: Set fees

Fees should be based on any cost recovery policy and at a price that will fully recover the Bureau's cost and provide a sustainable future.



### SUMMARY OF FINDINGS – FISCAL YEAR 2016-2017

#### **PRIMARY DATA SOURCES**

For this project, there are three primary sources of data that have driven the analysis:

- 1. Budgeted expense data (2016/17), which includes:
  - a. Salaries and benefit expenditures;
  - b. Services and supplies;
  - c. Overhead, including both Department and State pro rata allocations; and
  - d. External enforcement costs from the Office of the Attorney General (AG), the Office of Administrative Hearings, and evidence / witness fees.
- 2. Time estimates for staff to process each license type, broken down by core processes or activities. These included such activities as:
  - a. Physical inspections of establishments;
  - b. First review of an application;
  - c. Second review if deficiency letters have been sent out; and
  - d. Audit review.
- 3. Activity data such as the annual number of licenses issued/processed by type is an important data source. The following table is an example of these data (fiscal year 2015-2016).

FUNERAL ESTABLISHMENT (FD)	Licenses Issued/Processed Annually
Original Funeral Establishment	30
Assignment License Application	18
Annual renewal fee	1,033
Delinquent renewal fee	79
Change of Name	48
Change of Location	64

#### **QUALITY ASSURANCE**

Assuring the accuracy and quality of results is an important function of the analysis. Our approach builds on the concept that a quality process assures a quality outcome. Besides focusing on a quality process we also incorporate quantitative checks of our results. These quantitative checks include:

- 1. Are the total costs that we have coming into the model (the budget) equal to the total costs coming out of the model (projected revenues)?
- 2. Are the total number of staff hours available fully accounted for in the model?



3. Does the projection of annual revenues (current) built into the cost model reasonably match actual or projected revenues by the DCA budget office?

When our results fall into reasonable ranges, we are assured of quality results. The following graphic reflects the results of our quality assurance checks.

Resource - Cost and Revenue Summary	
Resources Available (Budget)	\$ 4,520,000
Resources Assigned (Projected Revenues at Full Cost)	\$ 4,520,000
Examination Development	\$ 65,557
Total Cost	\$ 4,585,557
Difference	\$ (0)
Total Hours Available	 41,558
Total Hours Assigned	41,558
Difference	(0.00)
Revenue Projected From Fees at Current Prices	\$ 3,671,428
Actual Fiscal Year 15-16 Revenue From Fees (and misc. income, citations, etc)	\$ 3,806,276
Difference	\$ (134,848)
Percentage Difference (acceptable = plus or minus 5%-10%)	-4%
Target: Pricing Model	\$ 4,591,590
Difference from Target *	\$ 6,033

Note: Revenue projected from the pricing model is slightly higher than actual or budgeted costs

#### **ASSUMPTIONS USED IN THE COSTING MODEL**

#### **EXPENSE DATA – CURRENT BUDGET**

In all cases, fiscal year 2016-2017 budget data has been used. Therefore, the results are based on the assumption that all of the budget will be consumed in the services of the Bureau. It should be noted, that the Bureau has a history of not spending all its available budget. Therefore, while the analysis assumes the full budget will be consumed, the pricing scenario established by staff may, in some cases, be lower than actual (budgeted) cost. However, this still represents a net increase in fees and revenue generated by fees.

There is one additional factor to consider. Costs for exam development have been included. Because this is an expense that does not occur every year, we have prorated an annual amount of \$65,557. The inclusion of this additional cost will support the process of developing new exams as necessary.

#### **REVENUES – CONSISTENT ACTIVITY DATA**

A significant component of the analysis is dependent upon annual activity data. Specifically, the number of times each license is processed on an annual basis. This is important to the analysis for two reasons:



- Activity data drives the total consumption of staff hours. If the activity data is not correct it will either over assign staff time or under estimate staff time relative to the total time that is available.
- Projecting revenue. If the number of applications for licenses vary wildly on an annual basis, projecting revenue will be challenging. However, if the number of applications for licenses is stable, then revenues will be stable.

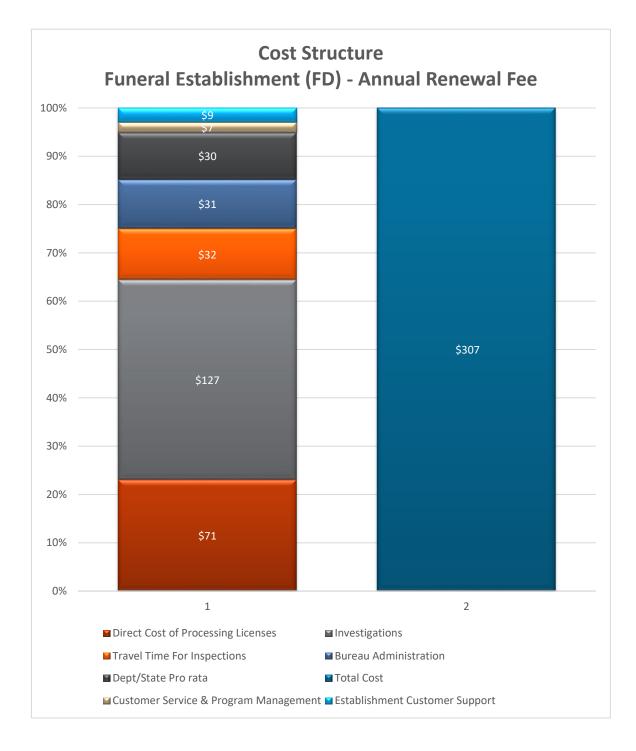
### DIRECT VS. INDIRECT ALLOCATED COSTS

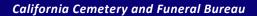
For this analysis, direct costs are being defined as the direct time required to process a specific application type. This is driven off a calculation of a productive hourly rate for each staff position. This rate includes salaries, benefits, and a prorated amount for services and supplies. Then indirect costs are layered on top of the direct costs to establish the full cost of issuing the license. The following is an example:

Ex	ample - Cost Ca	culation		
License Type	Processing Requirement (in hours)	Average Productive Hourly Rate	Direct Cost Assignm	nent
FUNERAL ESTABLISHMENT (FD) - Annual Renewal Fee	1.20	\$59.36		\$71
Sources of Indirect Costs			Total Indirect Cost Assignment	
Investigations			\$	127
Travel Time for Inspections			\$	32
Establishment Customer Support	-Cost Assignme	nt = Direct Cost	\$	9
Customer Service & Program Management			\$	7
Bureau Administration			\$	31
Dept/State Pro rata			\$	30
Total Cost			\$	307

This same data is displayed visually in the following graphic. It illustrates the layering of activities that drive cost.







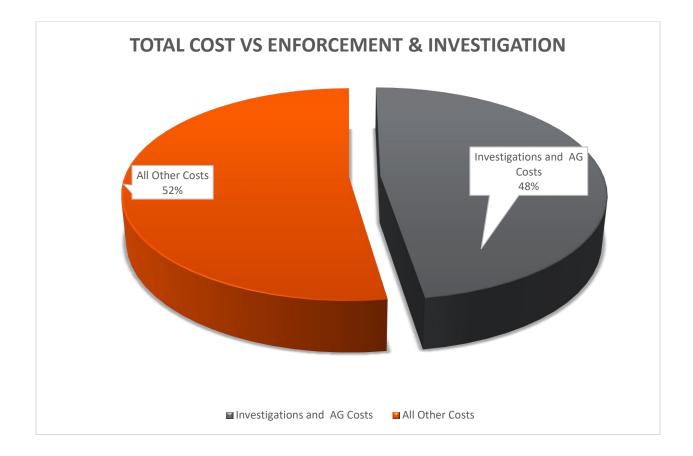


#### **ALLOCATING COSTS OF ENFORCEMENT**

Enforcement costs are a significant cost of total Bureau expenditures. Enforcement costs come in two primary types:

- 1. Internal costs associated with investigations; and
- 2. External costs associated with the AG, Office of Administrative Hearings, and evidence / witness fees.

In total, enforcement (with all overhead and supports costs allocated), accounts for 48 percent of total budgeted costs as the following graph will illustrate.



This ratio of enforcement costs to total costs is consistent among the Boards and Bureaus of DCA that we have reviewed. Because enforcement activities are such a large component of total cost, the method of allocating these costs is important.

There are several potential methods of allocating these costs. Among these are:

- 1. Allocating enforcement costs on the basis of direct cost of each license; and
- 2. Calculating a flat cost per license.



After reviewing the results, we determined that the best way of allocating enforcement costs was to assign cost on the basis of the direct cost of processing each license type.

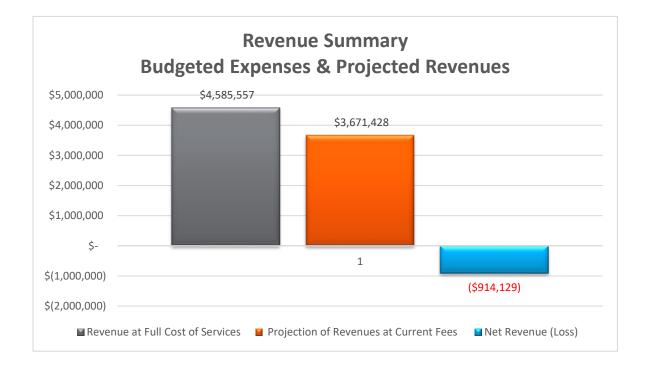
#### **EXAMPLE OF IMPACT OF ENFORCEMENT ALLOCATION**

The impact of this allocation model can best be seen in the original license for a Cemetery Salesperson. Of the total cost, 42 percent is consumed in enforcement and investigation costs.





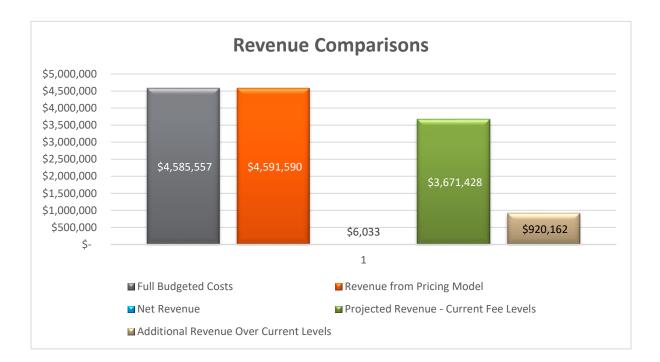
Based on budgeted expenses and a prorated amount for exam development, we project a net deficit in revenues for fiscal year 2016-2017 if the Bureau were to spend its entire appropriation. The following graphic summarizes these results.





# PROPOSED PRICING MODEL

After calculating the full cost of each specific license, Bureau management established a pricing scenario that better reflects the true cost of fees to perform its functions and help ensure a sustainable regulatory program. This pricing model raises prices on some licenses and keeps others at the current fee. Because of this, Bureau management finds the level of cost recovery from their pricing model to be appropriate. However, it should be noted that this pricing model still results in a net increase of fee revenue of \$920,162. The following graphic summarizes these results.





## **OBSERVATIONS AND RECOMMENDATIONS**

#### **GENERAL OBSERVATIONS**

The primary observation is that the Bureau has a history of conservative financial management and is taking a proactive step in this regard. By assessing its fees before a financial emergency, the Bureau is assuring its long-term sustainability and strengthening its ability to provide a high level of service to its constituents for the future.

#### **SPECIFIC RECOMMENDATIONS**

#### SET CAP AND ADJUST FEES REGULARLY

In our view, one of the most important outcomes of a study of fees is a policy to adjust fees regularly. Staff generally receive regular cost of living adjustments, cemetery and funeral establishments adjust their prices based on inflationary and market forces, and fees should be adjusted regularly as well.

We have provided a 10 year forward projection of fees based on an annual increase of 3 percent. We would recommend working with the State Legislature to set the cap at the 10 year projected maximum. Then adjusting fees annually or at least bi-annually to maintain alignment of revenues and expenditures. We would also recommend a formal audit of fees at the 5 year mark as processing and regulatory requirements can change dramatically within this time frame.



Cost and Pricing Report Table

- Pages 1-3 shows the analysis of cost for each individual fee item and the comparison of revenues at full cost and at current prices;
- Pages 4-6 shows the results of applying a 3 percent annual escalator to the current fee. These can be used to set the cap for individual licenses.



						Unit Cost Summary	Summary			Annual Cost d	Annual Cost Calculations (At Actual Costs Calculated)	Actual Costs	Result	Results Pricing Model	g Model
No.	Fee Name	Actual Work Volume	Recovered Revenue Volume	Direct Unit Cost	Allocated Support Costs	Other Exam Development	Total Cost Assigned	Current Fee / Revenue	Unit Surcharge or (Subsidy)	Revenue at Full Cost of Services	Projection of Revenues at Current Fees	Annual Surplus (subsidy)	Pricing Scenerio		Annual Revenue Pricing Model
	EMBALMER (EMB)						·								
	Application & Examination	65	65		\$48	\$ 275.07	\$338		(\$188)			(\$12,214)		_	19,500
	Annual renewal fee	1,627	1,627	\$ 15			\$63	\$ 100	\$37	\$ 102,231.49	Ş	\$60,469		-	244,050
	Delinquent renewal fee		152	÷				Ş 50	\$50	\$	\$7,600	\$7,600	ş	75 \$	11,400
				s v						s v				v v	•
	APPRENTICE EMBALMER (AE)			~ ~ ~						• •				n 10	•
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	Apprentice Entrain (FD)	118	118	ب ع 00			\$126 \$126	\$ 100	(\$26)			(\$3.029)	• ₩	150 \$	17.700
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				, ,						, ,				• ••	•
	FUNERAL ESTABLISHMENT (FD)			, \$						\$				v	•
	Original Funeral Establishment	30	30	\$ 178	\$594		\$772	\$ 400	(\$372)	\$ 23,166.23	\$12,000	(\$11,166)		800 \$	24,000
	Assignment License Application	18	18				\$273		\$27			\$482	ŝ	-	5,400
	Annual renewal fee	1,033	1,033		\$237		\$308	\$ 400	\$92	\$ 317,794.51	l \$413,200	\$95,405		400 \$	413,200
	Delinquent renewal fee		79	\$ -				\$ 200	\$200	\$	\$15,800	\$15,800		200 \$	15,800
	Change of Name	48	48	\$ 24			\$104	\$ 200	\$96	\$ 4,971.91		\$4,628		200 \$	9,600
	Change of Location	64	64		\$133		\$173	\$ 250	\$77	\$ 11,054.21	l \$16,000	\$4,946		250 \$	16,000
	Annual Preneed Trust Fund Report	266	109	\$ 219	\$729		\$948	\$ 200	(\$748)	\$ 945,123.93	\$21,800	(\$923,324)	Ş	400 \$	398,800
	Late Fee Preneed Trust Fund Report		29	\$				\$ 100	\$100	¢	\$2,900	\$2,900	Ş	200 \$	1
														s ·	•
				, s						s				s	•
	FUNERAL DIRECTOR (FDR)	}		1					-					_	•
	Examination	246	246		\$48	Ş 36.67	\$100		\$0			\$122			49,200
	Application	160	160				\$126 202		\$74			\$11,893 6201233			32,000
	Annual renewal ree	2,218	2,218				FOC	\$ 200	\$13/	\$ 139,300.0U	5443,600 ¢16.000	\$304,233 \$16 000	ν υ Λ	× 100	16 000
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														n v	•
	NOTIFICATION OF CHANGE									۰ ۰				•••	1
	Change of Officer(s), Trustee(s), or Managing Funeral Director	172	172	\$ 10	\$32		\$42	\$ 50	\$\$	\$ 7,219.42	\$8,600	\$1,381	ŝ	50 \$	8,600
														<b>1</b> /1	1
	MISCELLANEOUS FEE			~ ~ ~ ~						~ ~ ~				<u>v</u> v	•
	Duplicate or Replacement License	579	579	\$ 10	\$32		\$42	\$		\$ 24,254.06	\$23,160	(\$1,094)	ş	50 \$	28,950
														ŵ	1
				÷						\$				<del>ر</del> ه	•
	FINGERPRINT PROCESSING FEES*			۲						۰ ۰					1
	Department of Justice							ک 32 د 32	\$32 ++-				ۍ ۱	32 \$	•
	reaeral			, , ∿ v				ب 1/		~ v			<u>م</u>	v v 1	•
	CERTIFICATE OF AUTHORITY (COA)													<b>∧</b> √	•
	Initial Filing fee	2	2	\$ 453	\$2,148		\$2,601	\$ 400	(\$2,201)	\$ 5,202.90	\$800	(\$4,403)	\$ 1,0	1,000 \$	2,000
	Additional Filing fee (additional cost to defray investigation			, Ş				\$ 100	\$100	\$			Ş	100 \$	
	expenses inter exceed a total sum or secon														

Bureau
Funeral
and
Cemetery
California



						Unit Cost Summary	Summary			Ann	ual Cost Ca	Annual Cost Calculations (At Actual Costs Calculated)	ctual Costs	Results	lts Pric	Pricing Model
No.	Fee Name	Actual Work Volume	Recovered Revenue Volume	Direct Unit Cost	Allocated Support Costs	Other Exam Development	Total Cost Assigned	Current Fee / Revenue	Unit Surcharge or (Subsidy)	Rever Cost o	Revenue at Full Cost of Services	Projection of Revenues at Current Fees	Annual Surplus (subsidy)	Pricing Scenerio		Annual Revenue Pricing Model
	Annual regulatory fee	196	196	\$ 123	3 \$583		\$706	<mark>\$</mark> 400	(\$306)	Ş	138,415.43	\$78,400	(\$60,015)	Ŷ		137,200
	Delinquent renewal fee		7	¢				Ş	\$200			\$1,400	\$1,400	ŝ	_	2,450
	Quarterly fee per interment	62,498	62,498	\$ 1.12			\$9.40	\$ 8.50	(06.0\$)		587,466.10	\$531,233	(\$56,233)	ŝ	8.50 \$	531,233
	ECF/SCF annual report	192	192		8 \$1,555		\$1,883		(\$1,883)		361,540.55		(\$361,541)	ş	400 \$	76,800
	CDEMATOBY (CB)			,						s u					vn v	•
	Unitial Filing fee	7	7	\$ 215	\$689		\$904	\$ 400	(\$504)	<u>م</u> م	6,330.45	\$2,800	(\$3,530)	ş	800 \$	5,600
	Additional Filing fee (additional cost to defray investigation							\$ 100	\$100	÷				÷	-	
	Annual regulatory fee	224	224	\$ 64	4 \$205		\$269	\$ 400	\$131	ş	60,316.84	\$89,600	\$29,283	ş	400 \$	89,600
	Delinquent renewal fee		11						\$200	ş		\$2,200	\$2,200	ş	_	2,200
	Quarterly fee per cremation	162,350	162,350	\$ 1.12 \$	2 \$6.55		\$7.68	\$ 8.50	\$0.82	s, v	1,246,342	\$1,379,975	\$133,633	ŝ	8.50 \$	1,379,975
				, - ,						- v					<u>v</u>	
	CEMETERY MANAGER (CEM)									ŝ					i vi	•
	Examination/Reexamination	20	20			\$ 524.48	\$566	\$ 800	\$234	ŝ	11,329	\$16,000	\$4,671	÷	-	16,000
	Original License	25	25	\$ 10			\$42		\$38	ş	1,049	\$2,000	\$951	ş	100 \$	2,500
	Annual renewal fee	289	289				\$42	\$ 80		÷	12,130	\$23,120	\$10,990	Ŷ	-	28,900
	Delinquent renewal fee		6	÷					\$40	ŝ		\$360	\$360	Ŷ	50 \$	450
										ŝ					ις γ	•
				, ^ 1						~ L					n i	
	CREMALORI MANAGER (CRM) Examination/Reexamination	33	33	• ×		\$ 457.79	\$500	¢ 450	(\$50)	n v	16.492	\$14.850	(\$1,642)	÷	_	16.500
	Original License	21	21		0 \$32		\$47	r	\$38	2	881	\$1.680	\$799	<b>.</b>	100 \$	2.100
	Annual renewal fee	496	496	\$ 10			\$42	\$ 80		\$	20,819	\$39,680	\$18,861	. s,	-	49,600
	Delinquent renewal fee		37							Ŷ	•	\$1,480	\$1,480	ş	50 \$	1,850
				\$						ŝ					₩.	
				÷						ŝ					<u>₩</u>	•
	CEMETERY BROKER (CEB)	;	;				1			ŝ	- 5	000 14			_	• •
		14	.14			C8.259 ¢	6/6¢		((()()))	<u>م</u> ر	13,64/	009,64	(>8,047)	<u>م</u> ر	_	000'/
	Reexaminauon Annual renewal fee	3 179	3 179	\$ 10	0 \$32		\$42	\$ 100 \$ 300	\$258 \$258	<u>م</u> م	7.513	\$53.700	\$1/4 \$46.187	~ ~	300 \$	300
	Delinquent renewal fee Reinstatement		4						\$150	ŝ		\$600	\$600	÷	150 \$	600
				\$ \$						ş					Ŷ	•
				\$.						ŝ					so -	•
					_					ŝ					s ·	•
	CEMETERY BROKER ADT'L (CBA)	5	;	\$ \$	¢11		<i>к</i> с5	¢ 100	άTά	ŝ	- 000	¢1.200	¢011	ť	_	- 1
	Delinguent renewal fee	77	77				t 70	\$ ED	\$50	<b>₽</b> 10	607	¢50	450	<b>γ</b> υ		7,200
			•	r s				Pr l	0	r v		0 Cr	0	ъ	_	r ,
				, Ş						ŝ					· ••	•
	CEMETERY BROKER BRANCH (CBB)									ŝ					<del>،</del>	•
	License fee	ю	ю				\$53			ş	159	\$300	\$141	Ŷ	_	300
	Annual renewal fee	66	66	\$ 10	0 \$14		\$24	\$ 100	\$76	ş	1,589	\$6,600	\$5,011	ş	100 \$	6,600
	Delinquent renewal fee		9	\$.						ŝ		\$300	\$300	ş	_	300
										ς γ					<u>ν</u> ι	•
				, v 1						~ u					<u>Λ</u> υ	•
	CEMETERT BALEBTENDUN (VED)									۰					<u>۰</u>	

Bureau
Funeral
and
Cemetery
California

Licensing & Misc Fees / Current Cost Structure



						Unit Cost Summary	ummary				Calculated)	
			Direct Unit Cost	it Allocated Support Costs	ated (	Other Exam Development	Total Cost Assigned	Current Fee / Revenue	Unit Surcharge or (Subsidy)	Revenue at Full Cost of Services	Projection of Revenues at Current Fees	Annual Surplus (subsidy)
Original license	2,532	2,532	ŝ	22	\$70		\$92	\$ 30	(\$62)	\$ 233,554	\$75,960	(\$157,594)
Transfer fee	375	375	ş	10	\$32		\$42	\$ 25	(\$17)	\$ 15,740	\$9,375	(\$6,365)
Reinstatement	з	3	Ş	10	\$32		\$42	\$ 25	(\$17)	\$ 126	\$75	(\$51)
Annual renewal fee	3,136	3,136	Ş	10	\$32		\$42	\$ 25	(\$17)	\$ 131,628	\$78,400	(\$53,228)
Delinquent renewal fee		44	\$					\$ 25	\$25	\$ -	\$1,100	\$1,100
			\$							÷		
			\$ \$							÷ خ		
CREMATED REMAINS DISPOSER (CRD)			÷							÷ د		
Registration	15	15	Ş	10	\$32		\$42	\$ 100	\$58	\$ 630	\$1,500	\$870
Annual renewal fee	137	137	Ş	70	\$223		\$293	\$ 50	(\$243)	\$ 40,081	\$6,850	(\$33,231)
Deliquent renewal fee			\$					\$ 25	\$25	\$ -		
			\$							\$ -		
MISCELLANEOUS FEES			\$							÷ د		
Change of name or address	1	1	Ş	5	\$16		\$21	\$ 25	\$4	\$ 21	\$25	\$4
Duplicate license	101	101	Ŷ	5	\$16		\$21	\$ 25	\$4	\$ 2,115	\$2,525	\$410
			\$ \$							÷		
			, è							\$ -		
FINGERPRINT PROCESSING FEES*			\$							\$ -		
Department of Justice			\$					\$ 32	\$32	\$		
Federal			\$					\$ 17	\$17	\$ -		
			\$							¢		
			\$									

253,200 18,750 150 150,800 1,100

s s

ŝ

At Actual Costs

3,000 27,400 25 5,050 Annual Revenue Annual Revenue Priding Model \$ 4,591,590



					Ten Ye	ar Projection o	Ten Year Projection of Fee Requirements	nents			
No.	Actual Work Volume	Year #1	Year #2	Year #3	Year #4	Year #5	Year #6	Year #7	Year #8	Year #9	Year #10
EMBALMER (EMB)		3.0%	Annual Increase								
Application & Examination	65	60E\$	\$318	\$328	\$338	\$348	\$358	\$369	\$380	\$391	\$403
Annual renewal fee	1,627	\$155	\$159	\$164	\$169	\$174	\$179	\$184	\$190	\$196	\$202
Delinquent renewal fee		\$77	\$80	\$82	\$84	\$87	06\$	\$92	\$95	\$98	\$101
ALT NEIVICE EMBALMEN (AL) Annrentice Embalmer	68	\$155	\$159	\$164	\$169	\$174	\$179	\$184	\$190	\$196	\$202
	110	1114	01F0	\$16A	0110	4744	0414	1014	0013	00T¢	2024
Approval to Irain (FD)	118	cc1ç	6¢I¢	\$164	691¢	\$1/4	6/1¢	\$184	061¢	961¢	707\$
FUNERAL ESTABLISHMENT (FD)											
Original Funeral Establishment	30	\$824	\$849	\$874	006\$	\$927	\$955	\$984	\$1,013	\$1,044	\$1,075
Assignment License Application	18	\$309	\$318	\$328	\$338	\$348	\$358	\$369	\$380	\$391	\$403
Annual renewal fee	1,033	\$412	\$424	\$437	\$450	\$464	\$478	\$492	\$507	\$522	\$538
Delinquent renewal fee		\$206	\$212	\$219	\$225	\$232	\$239	\$246	\$253	\$261	\$269
Change of Name	48	\$206	\$212	<b>\$219</b>	\$225	\$232	\$239	\$246	\$253	\$261	\$269
Change of Location	64	\$258	\$265	\$273	\$281	\$290	\$299	\$307	\$317	\$326	\$336
Annual Preneed Trust Fund Report	266	\$412	\$424	\$437	\$450	\$464	\$478	\$492	\$507	\$522	\$538
Late Fee Preneed Trust Fund Report		\$206	\$212	\$219	\$225	\$232	\$239	\$246	\$253	\$261	\$269
FUNERAL DIRECTOR (FDR)											
Examination	246	\$206	\$212	\$219	\$225	\$232	\$239	\$246	\$253	\$261	\$269
Application	160	\$206	\$212	\$219	\$225	\$232	\$239	\$246	\$253	\$261	\$269
Annual renewal fee	2,218	\$206	\$212	\$219	\$225	\$232	\$239	\$246	\$253	\$261	\$269
Delinquent renewal fee		\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127	\$130	\$134
NOTIFICATION OF CHANGE											
Change of Officer(s), Trustee(s), or Managing Funeral Director	172	\$52	\$53	\$55	\$56	\$58	\$60	\$61	\$63	\$65	\$67
MISCELLANEOUS FEE	579	\$5 <i>7</i>	¢53	¢55	\$56	¢5,8	Ş60	¢61	¢63	¢θ5	\$67
								-			
FINGERPRINT PROCESSING FEES*											
Department of Justice		\$33	\$34	\$35	\$36	\$37	\$38	\$39	\$41	\$42	\$43
Federal		\$18	\$18	\$19	\$19	\$20	\$20	\$21	\$22	\$22	\$23
CERTIFICATE OF AUTHORITY (COA)											
Initial Filing fee	2	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305	\$1,344
Additional Filing fee (additional cost to defray investigation expenses not to exceed a total sum of \$900)		¢103	¢106	¢109	¢113	¢116	¢119	¢173	\$127	¢130	613A
		0017	0074	0014	0111	0117	C++-	C345	1775	0077	101



						Ten Ye	Ten Year Projection of Fee Requirements	of Fee Requiren	nents			
No.		Actual Work Volume	Year #1	Year #2	Year #3	Year #4	Year #5	Year #6	Year #7	Year #8	Year #9	Year #10
	Annual regulatory fee	196	\$721	\$743	\$765	\$788	\$811	\$836	\$861	\$887	\$913	\$941
	Delinquent renewal fee		\$361	\$371	\$382	\$394	\$406	\$418	\$430	\$443	\$457	\$470
	Quarterly fee per interment	62,498	¢\$	¢\$	¢\$	\$10	\$10	\$10	\$10	\$11	\$11	\$11
	ECF/SCF annual report	192	\$412	\$424	\$437	\$450	\$464	\$478	\$492	\$507	\$522	\$538
	CREMATORY (CR)											
	Initial Filing fee	7	\$824	\$849	\$874	\$900	\$927	\$955	\$984	\$1,013	\$1,044	\$1,075
	Additional Filing fee (additional cost to defray investigation expenses not to exceed at total sum of \$900)		\$103	\$106	\$109	\$113	\$116 \$	\$119 \$	\$123	\$127	\$130	\$134
	Annual regulatory fee	224	\$412	\$424	\$437	\$450	\$464	\$478	\$492	\$507	\$522	\$538
	Delinquent renewal fee		\$206	\$212	\$219	\$225	\$232	\$239	\$246	\$253	\$261	\$269
	Quarterly fee per cremation	162,350	\$9	\$9	6\$	\$10	\$10	\$10	\$10	\$11	\$11	\$11
	CEMETERY MANAGER (CEM)											
	Examination/Reexamination	20	\$824	\$849	\$874	006\$	\$927	\$955	\$984	\$1,013	\$1,044	\$1,075
	Original License	25	\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127	\$130	\$134
	Annual renewal fee	289	\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127	\$130	\$134
	Delinquent renewal fee		\$52	\$53	\$55	\$56	\$58	\$60	\$61	\$63	\$65	\$67
	Examination/Reexamination	33	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652	\$672
	Original License	21	\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127	\$130	\$134
	Annual renewal fee	496	\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127	\$130	\$134
	Delinquent renewal fee		\$52	\$53	\$55	\$56	\$58	\$60	\$61	\$63	\$65	\$67
	CEMETERY BROKER (CEB)											
	Original license/examination	14	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652	\$672
	Reexamination	m	\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127	\$130	\$134
	Annual renewal fee	179	\$309	\$318	\$328	\$338	\$348	\$358	\$369	\$380	\$391	\$403
	Delinquent renewal fee Reinstatement		\$155	\$159	\$164	\$169	\$174	\$179	\$184	\$190	\$196	\$202
	CEMETERY BROKER ADT'L (CBA)											
	Annual renewal fee	12	\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127	\$130	\$134
	Delinquent renewal fee		\$52	\$53	\$55	\$56	\$58	\$60	\$61	\$63	\$65	\$67
	CEMETERY BROKER BRANCH (CBB)											
	License fee	3	\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127	\$130	\$134
	Annual renewal fee	66	\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127	\$130	\$134
	Delinquent renewal fee		\$52	\$53	\$55	\$56	\$58	\$60	\$61	\$63	\$65	\$67
	CEMETERY SALESPEDSON (CES)											
		-										



No.         Feart Feature         Addit Feature							Ten Ye	ar Projection d	Ten Year Projection of Fee Requirements	nents			
Itemse         2,322         5,132         5,103         5,106         5,10         5,113         5,116         5,113         5,133         5,133         5,133         5,133         5,133         5,133         5,133         5,133         5,133         5,131 <th< th=""><th>No.</th><th></th><th>Actual Work Volume</th><th>Year #1</th><th>Year #2</th><th>Year #3</th><th>Year #4</th><th>Year #5</th><th>Year #6</th><th>Year #7</th><th>Year #8</th><th>Year #9</th><th>Year #10</th></th<>	No.		Actual Work Volume	Year #1	Year #2	Year #3	Year #4	Year #5	Year #6	Year #7	Year #8	Year #9	Year #10
(e)         37. <th></th> <th>Original license</th> <th>2,532</th> <th>\$103</th> <th>\$106</th> <th>\$109</th> <th>\$113</th> <th>\$116</th> <th>\$119</th> <th>\$123</th> <th>\$127</th> <th>\$130</th> <th>\$134</th>		Original license	2,532	\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127	\$130	\$134
ment         3         53         53         55         55         56		Transfer fee	375	\$52	\$53	\$55	\$56	\$58	\$60	\$61	\$63	\$65	\$67
enewalee         3136         523         533         535         566         565         533         561         5		Reinstatement	m	\$52	\$53	\$55	\$56	\$58	\$60	\$61	\$63	\$65	\$67
entrenewal fee         531         533		Annual renewal fee	3,136	\$52	\$53	\$55	\$56	\$58	\$60	\$61	\$63	\$65	\$67
TED REMAINS DISPOSER (CRD)         Image: second secon		Delinquent renewal fee		\$26	\$27	\$27	\$28	\$29	\$30	\$31	\$32	\$33	\$34
TED REMAINS DISPOSER (CRD)         15         5206         5212         5219         5232         5236         5233         5261         533           tion         13         5206         5212         5219         523         5233         5261         53           newal fee         13         5106         5212         5219         523         5246         5233         5261         5           newal fee         13         5106         5106         5109         511         513         5127         5130         5													
intermediation         15         2206         5212         5239         5236         5239         5236         5231         5261         52           enewal fee         137         5106         5212         5239         5235         5233         5231         5231         5231         5231         5231         5231         5331         5431         5431		CREMATED REMAINS DISPOSER (CRD)											
enewalete         137         5206         5212         5236         5236         5261         52         5261         52           trenewalete         1         5103         5106         5106         5103         5116         5113         5127         5130         5261         53 <b>trenewalete</b> 1         5103         5106         5103         5116         5116         513         5127         5130         5 <b>trenewalete</b> 1         1         526         521         512         513		Registration	15	\$206	\$212	\$219	\$225	\$232	\$239	\$246	\$253	\$261	\$269
Internent fee         510         510         510         511         511         511         511         511         513		Annual renewal fee	137	\$206	\$212	\$219	\$225	\$232	\$239	\$246	\$253	\$261	\$269
LANEOUS FEES         LANEOUS FEES         Laneous fees         1 $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$		Deliquent renewal fee		\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127	\$130	\$134
of name or address         1         526         527         528         529         530         531         532         533           le license         101         552         553         555         555         556         556         567         563         565		MISCELLANEOUS FEES											
		Change of name or address	1	\$26	\$27	\$27	\$28	\$29	\$30	\$31	\$32	\$33	\$34
PRINT PROCESSING FEES*         53         54<		Duplicate license	101	\$52	\$53	\$55	\$56	\$58	\$60	\$61	\$63	\$65	\$67
PRINT PROCESSING FEES*         Emiliary         State         St													
tent of Justice         533         534         535         536         537         538         539         541         542           501         518         519         519         519         520         521         522         523         <		FINGERPRINT PROCESSING FEES*											
\$18     \$18     \$19     \$20     \$20     \$21     \$22       \$20     \$21     \$22     \$21     \$22     \$22		Department of Justice		\$33	\$34	\$35	\$36	\$37	\$38	\$39	\$41	\$42	\$43
		Federal		\$18	\$18	\$19	\$19	\$20	\$20	\$21	\$22	\$22	\$23

								4	Annual Revenues (Pro	sar	Projected)							
Yea	Year #1		Year #2		Year #3	<i></i>	Year #4		Year #5		Year #6		Year #7	Year #8		Year #9		Year #10
4	730,051	Ş	4,871,953	Ş	5,018,112	ŝ	5,168,655	ŝ	5,323,715	Ş	5,483,426	Ş	5,483,426 \$ 5,647,929 \$	5, 5,817,367 \$ 5,991,888	Ş	5,991,888	Ŷ	\$ 6,171,644



## **Attachment H**

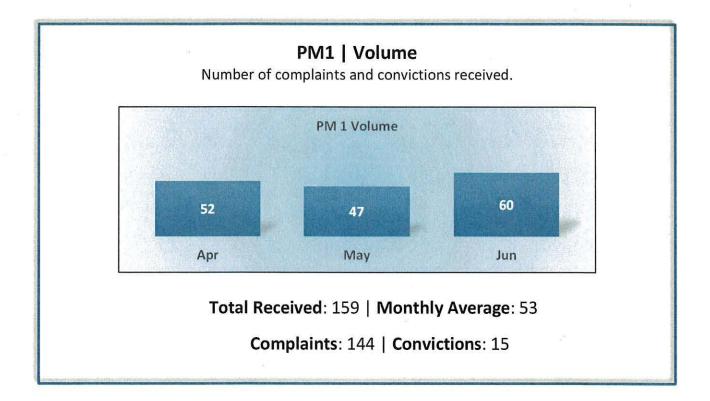
**Cemetery and Funeral Bureau Quarterly Performance Measures** 

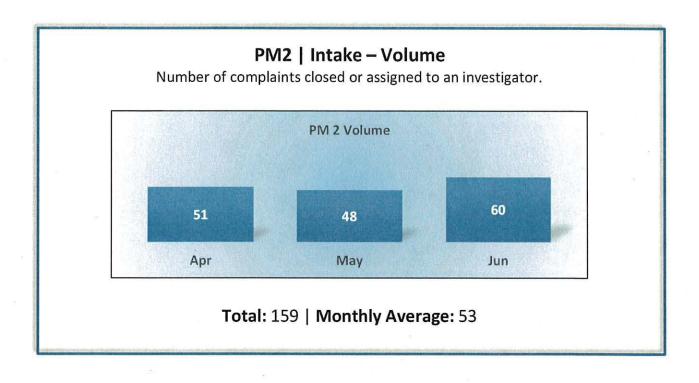
## Department of Consumer Affairs Cemetery and Funeral Bureau

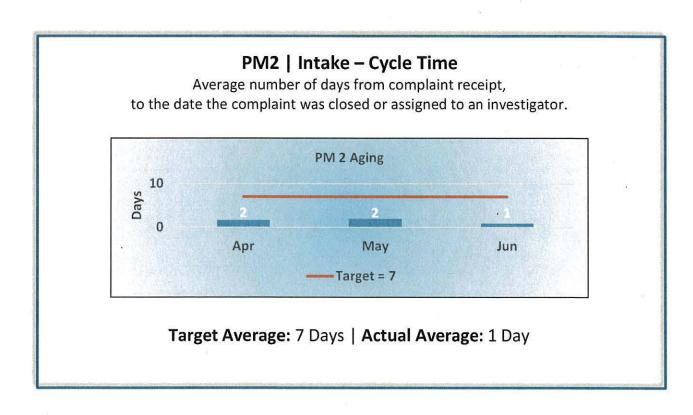
## **Enforcement Performance Measures**

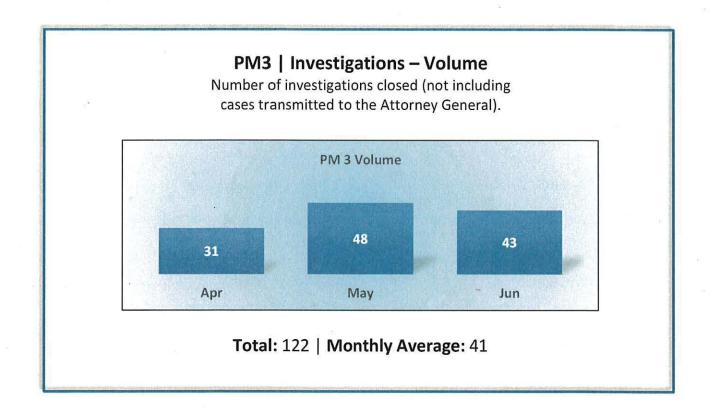
#### Q4 Report (April - June 2018)

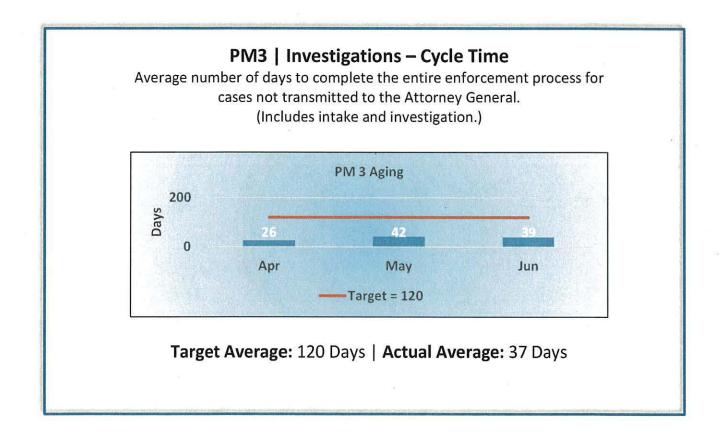
To ensure stakeholders can review the Board's progress toward meeting its enforcement goals and targets, we have developed a transparent system of performance measurement. These measures will be posted publicly on a quarterly basis.

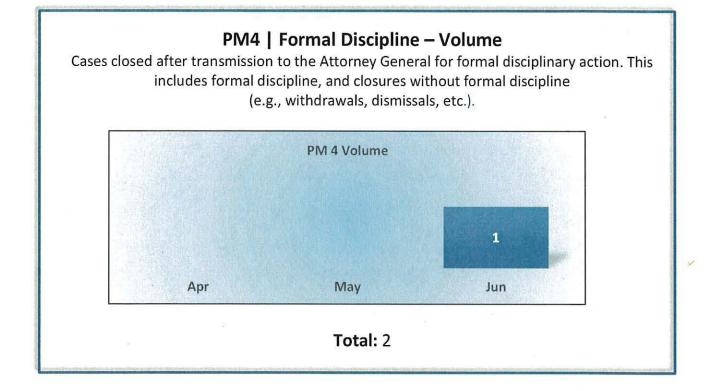


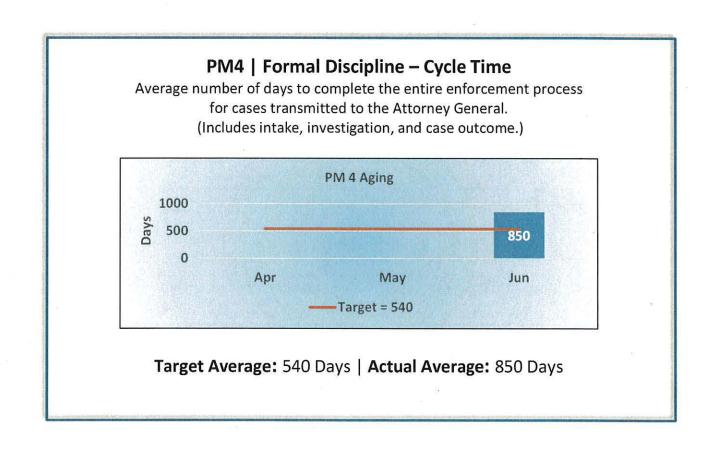


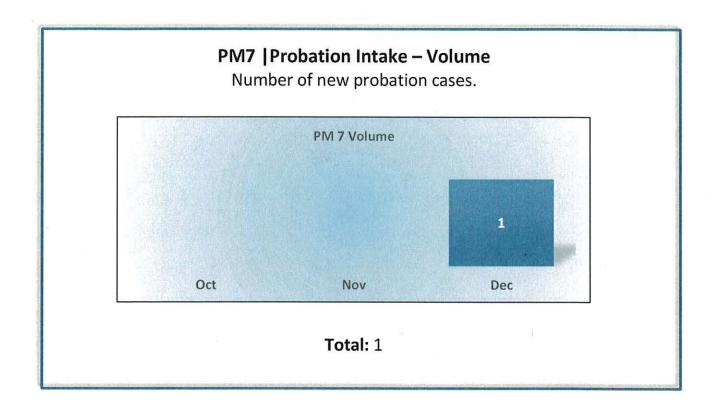


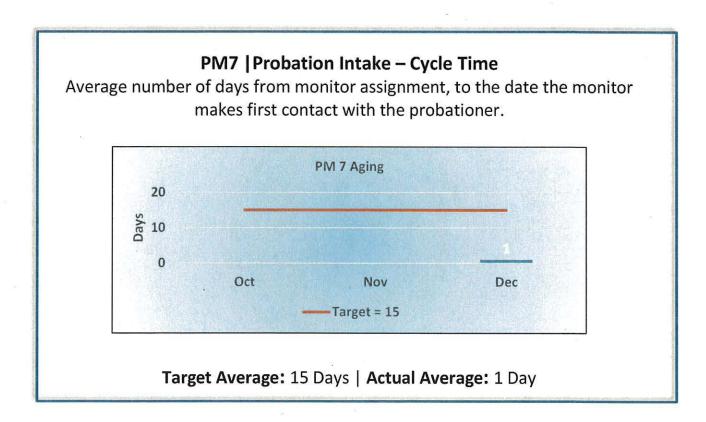












**PM8** | Probation Violation Response – Volume Number of probation violation cases.

The Bureau did not have any probation violations this quarter.

#### **PM8** | Probation Violation Response – Cycle Time Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.

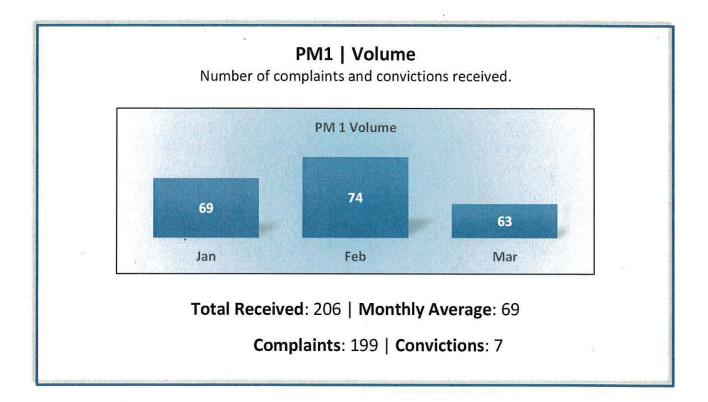
The Bureau did not have any probation violations this quarter.

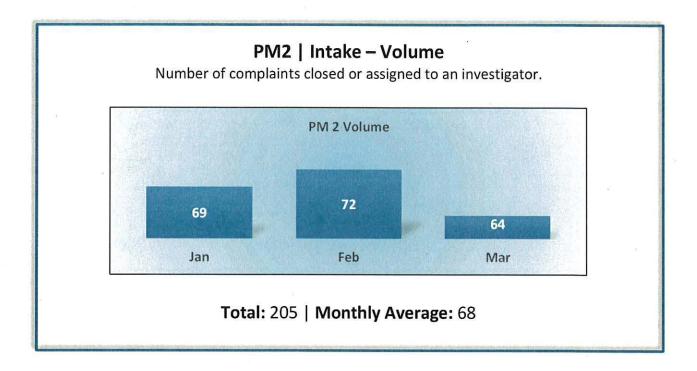
Department of Consumer Affairs Cemetery and Funeral Bureau

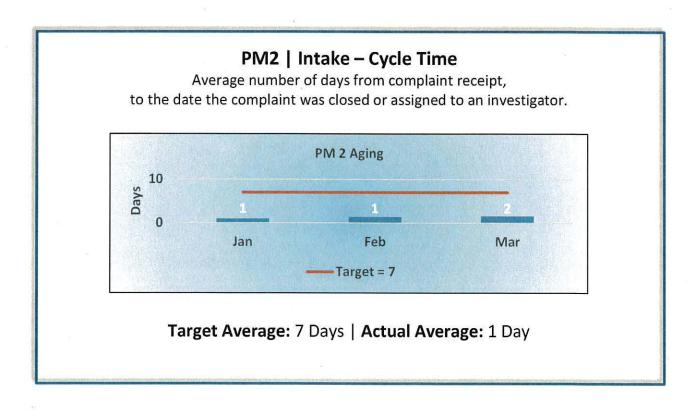
## **Enforcement Performance Measures**

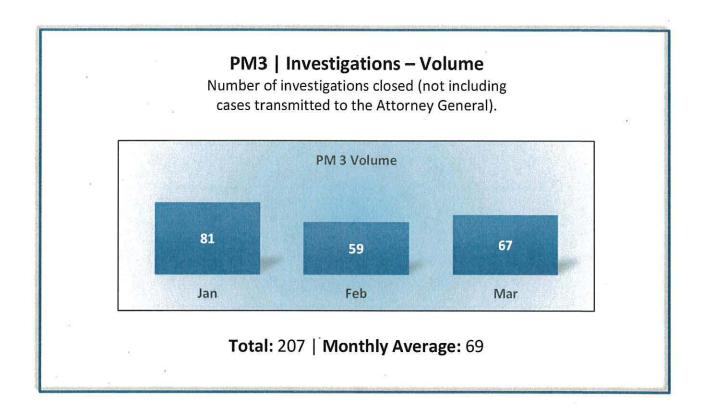
#### Q3 Report (January – March 2018)

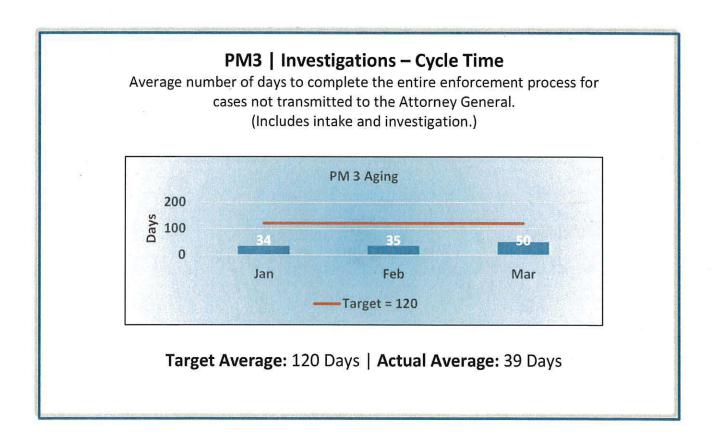
To ensure stakeholders can review the Board's progress toward meeting its enforcement goals and targets, we have developed a transparent system of performance measurement. These measures will be posted publicly on a quarterly basis.











#### PM4 | Formal Discipline – Volume

Cases closed after transmission to the Attorney General for formal disciplinary action. This includes formal discipline, and closures without formal discipline (e.g., withdrawals, dismissals, etc.).

The Bureau did not have any formal discipline cases this quarter.

#### PM4 | Formal Discipline – Cycle Time

Average number of days to complete the entire enforcement process for cases transmitted to the Attorney General. (Includes intake, investigation, and case outcome.)

The Bureau did not have any formal discipline cases this quarter.

#### PM7 | Probation Intake – Volume

Number of new probation cases.

The Bureau did not have any probation violations this quarter.

#### PM7 | Probation Intake – Cycle Time

Average number of days from monitor assignment, to the date the monitor makes first contact with the probationer.

The Bureau did not have any probation violations this quarter.

**PM8** | Probation Violation Response – Volume Number of probation violation cases.

The Bureau did not have any probation violations this quarter.

#### **PM8** |Probation Violation Response – Cycle Time Average number of days from the date a violation of probation is reported,

to the date the assigned monitor initiates appropriate action.

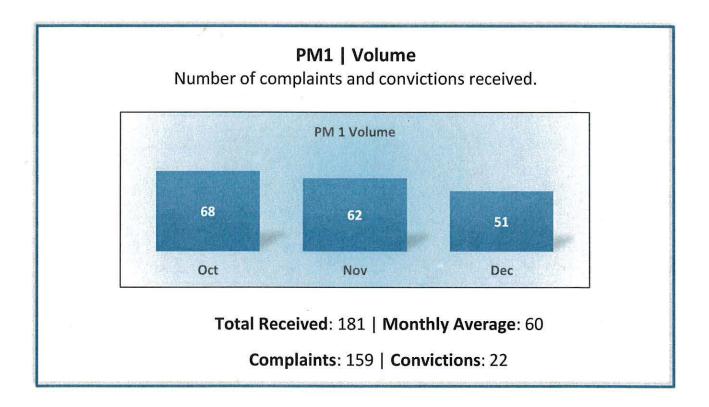
The Bureau did not have any probation violations this quarter.

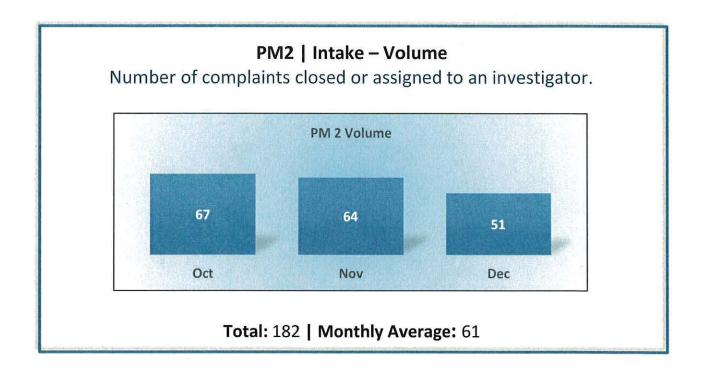
## Department of Consumer Affairs California Cemetery and Funeral Bureau

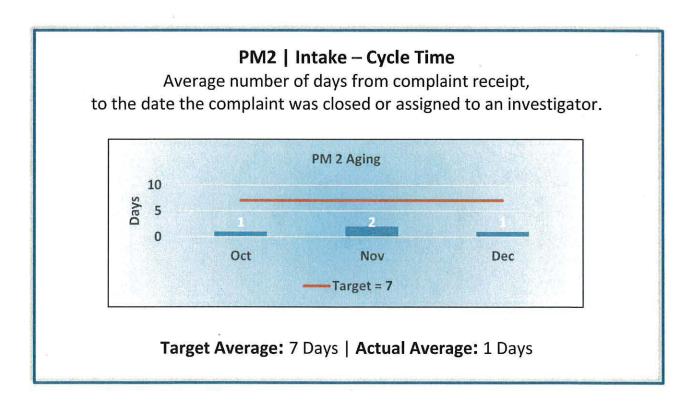
## **Enforcement Performance Measures**

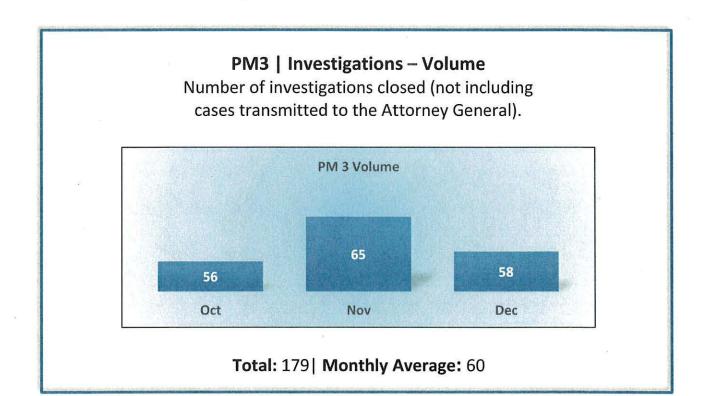
#### Q2 Report (October - December 2017)

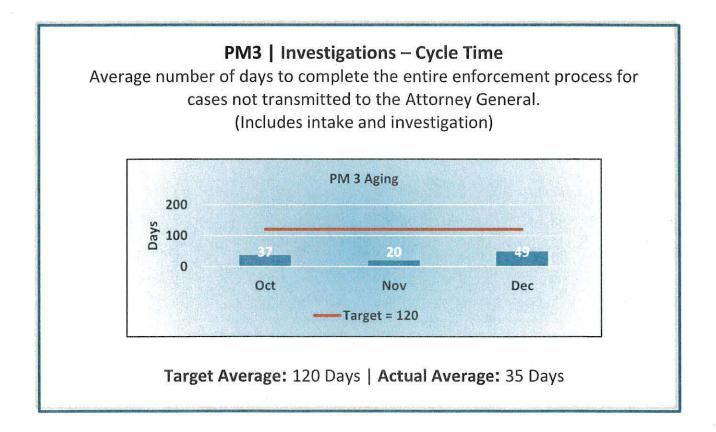
To ensure stakeholders can review the Board's progress toward meeting its enforcement goals and targets, we have developed a transparent system of performance measurement. These measures will be posted publicly on a quarterly basis.

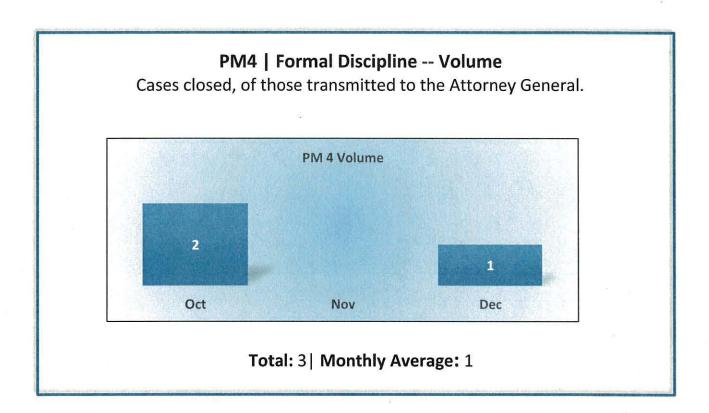


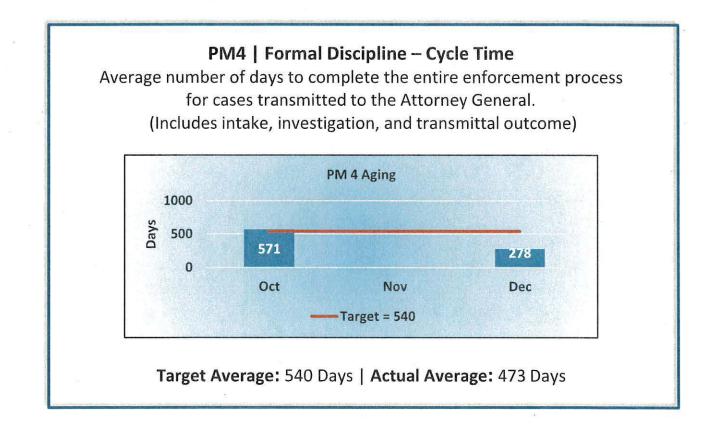


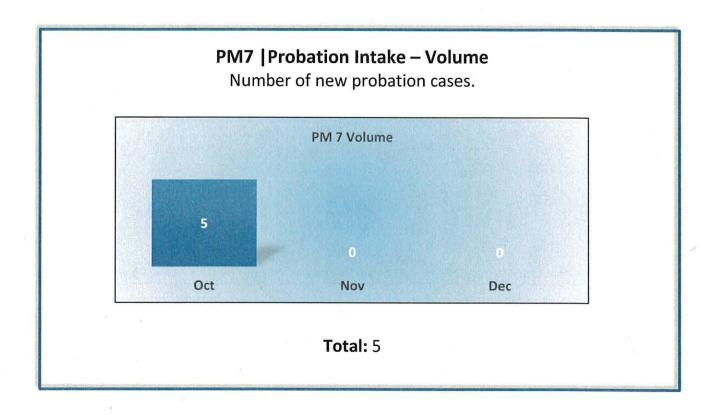


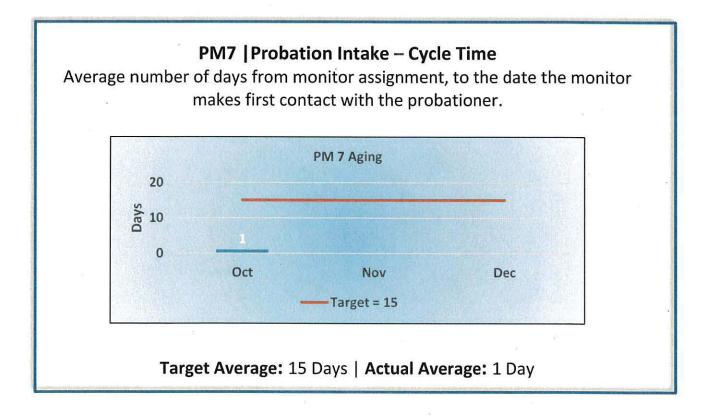












#### **PM8** | Probation Violation Response – Volume Number of probation violation cases.

The Bureau did not have any probation violations this quarter

#### PM8 | Probation Violation Response – Cycle Time

Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.

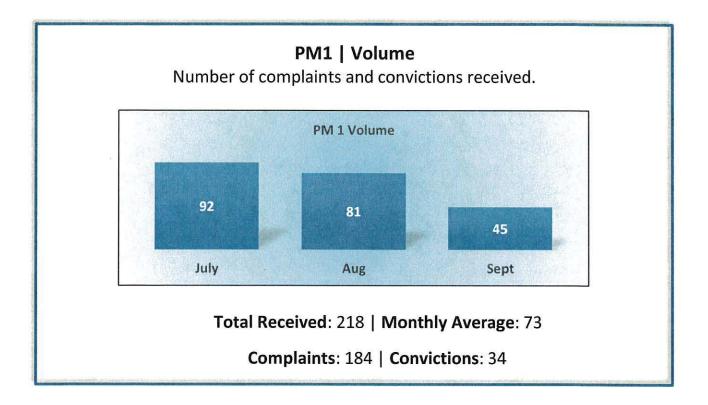
The Bureau did not have any probation violations this quarter

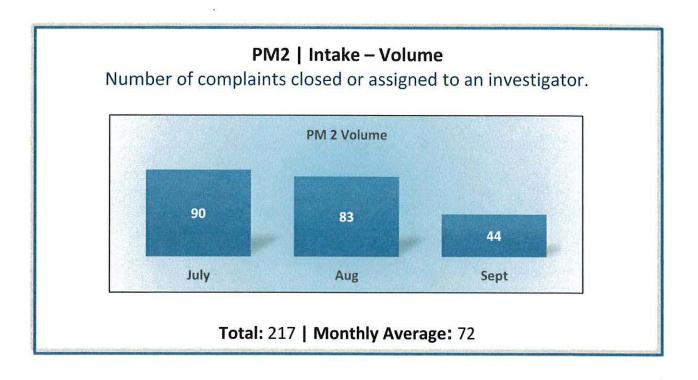
## Department of Consumer Affairs Cemetery and Funeral Bureau

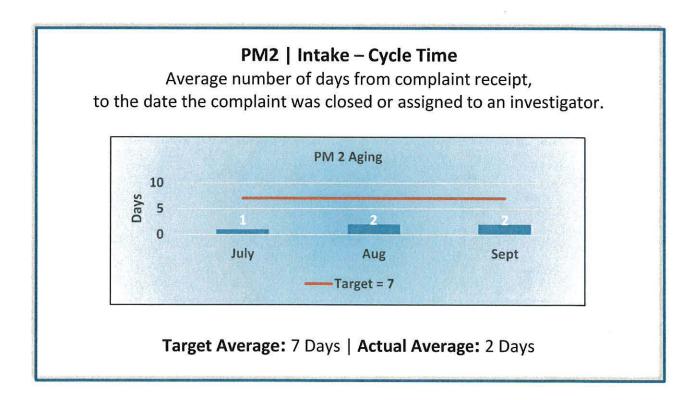
## **Enforcement Performance Measures**

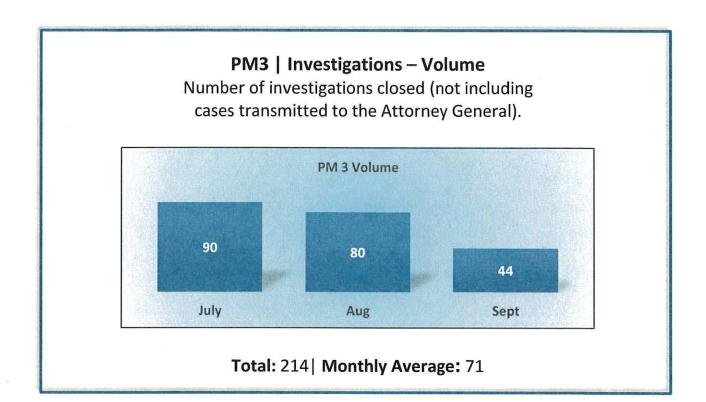
#### Q1 Report (July - September 2017)

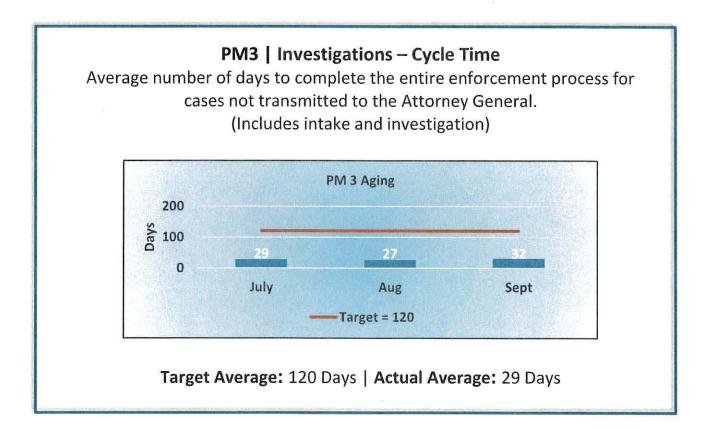
To ensure stakeholders can review the Board's progress toward meeting its enforcement goals and targets, we have developed a transparent system of performance measurement. These measures will be posted publicly on a quarterly basis.

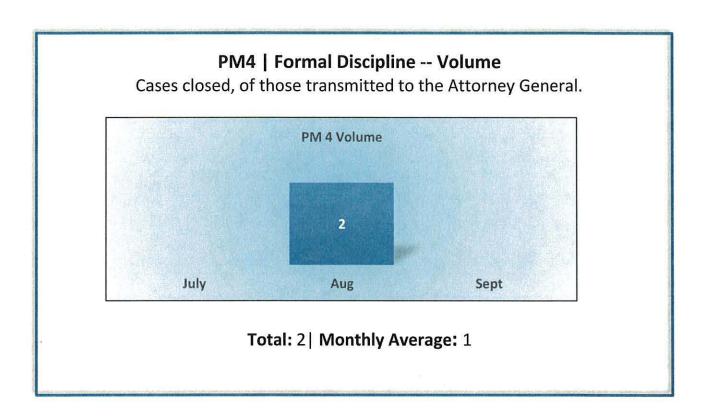


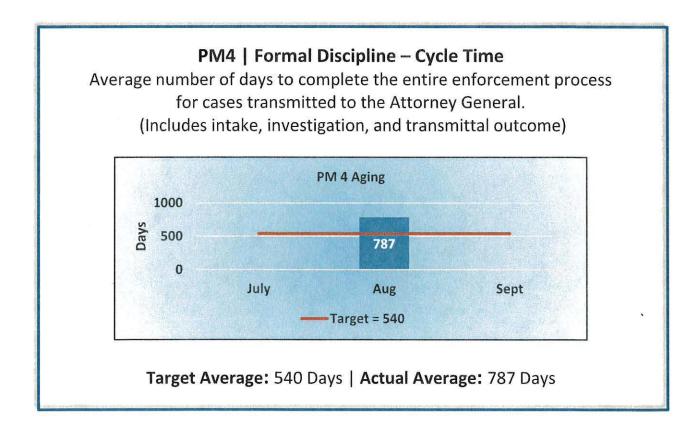


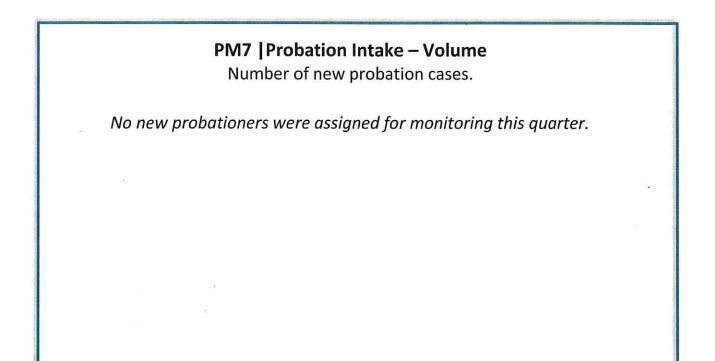












### PM7 | Probation Intake – Cycle Time

Average number of days from monitor assignment, to the date the monitor makes first contact with the probationer.

No new probationers were assigned for monitoring this quarter.

### PM8 | Probation Violation Response – Volume

Number of probation violation cases.

The Bureau did not have any probation violations this quarter

### PM8 |Probation Violation Response – Cycle Time

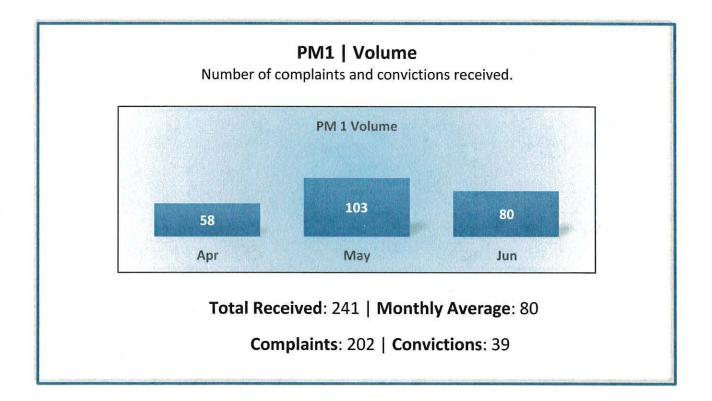
Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.

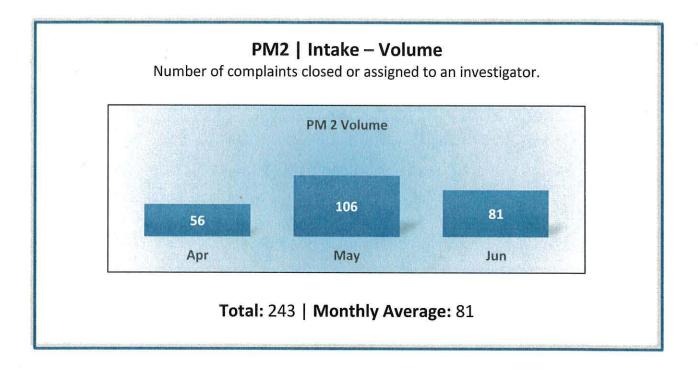
The Bureau did not have any probation violations this quarter

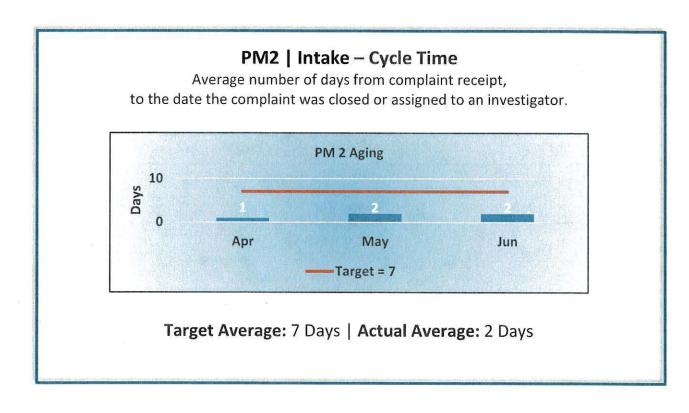
r

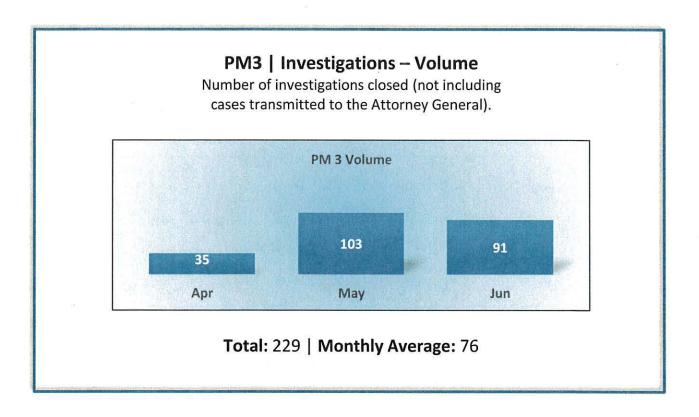
# **Enforcement Performance Measures**

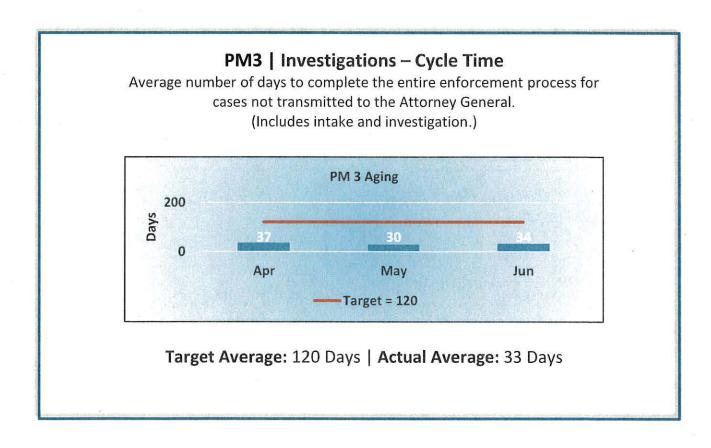
### Q4 Report (April - June 2017)

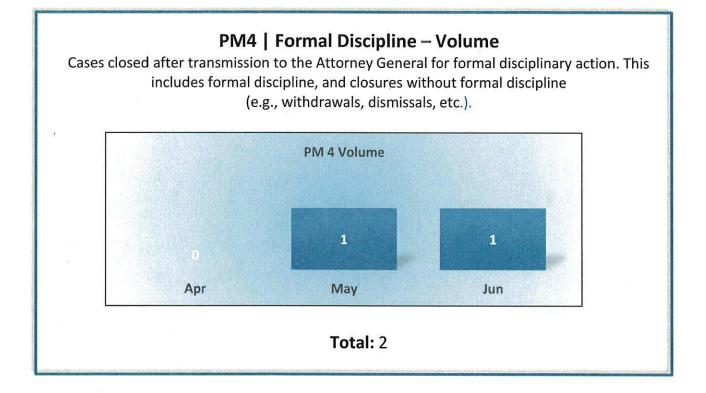


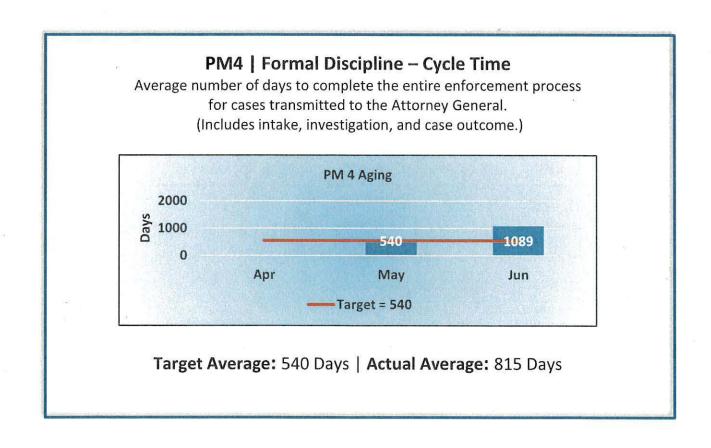












### PM7 |Probation Intake – Volume

Number of new probation cases.

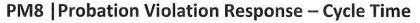
No new probationers were assigned for monitoring this quarter.

## PM7 | Probation Intake – Cycle Time

Average number of days from monitor assignment, to the date the monitor makes first contact with the probationer.

No new probationers were assigned for monitoring this quarter.

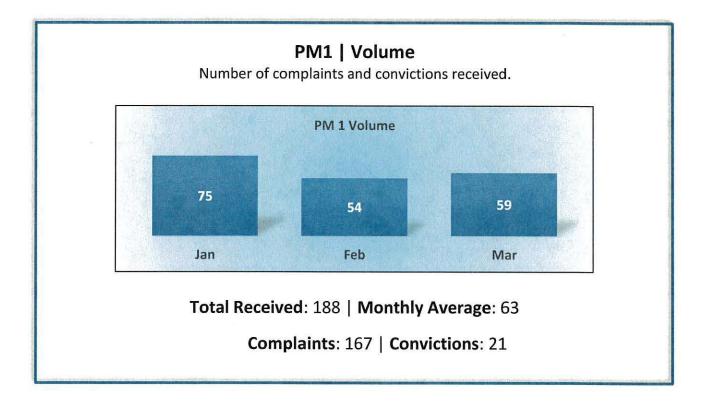
The Bureau did not have any probation violations this quarter.

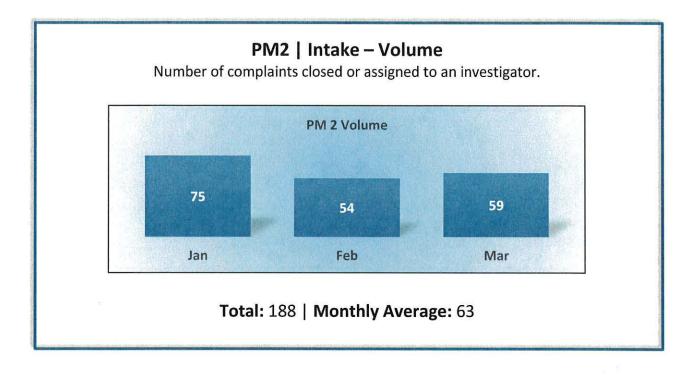


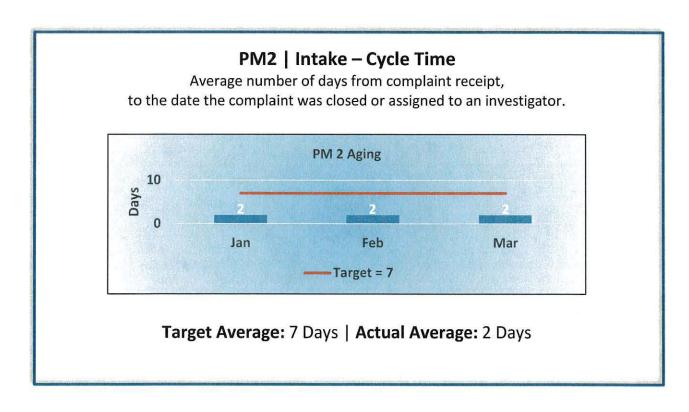
Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.

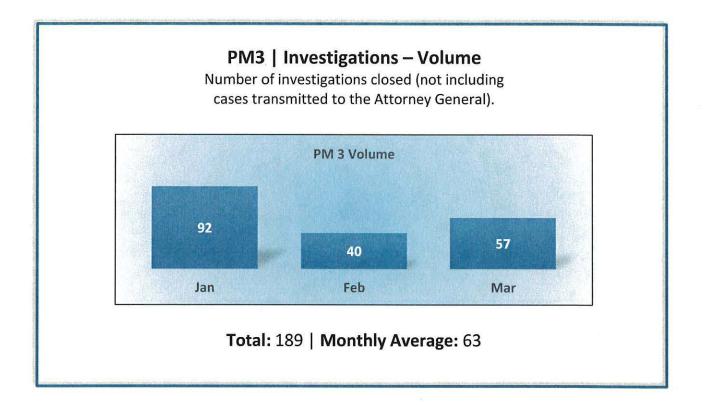
# **Enforcement Performance Measures**

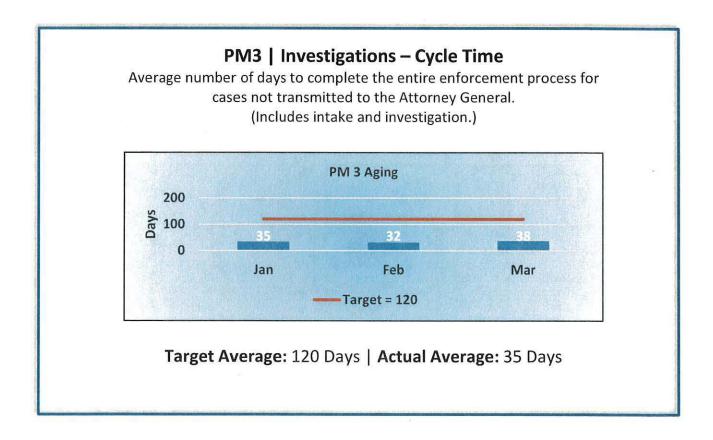
## Q3 Report (January – March 2017)

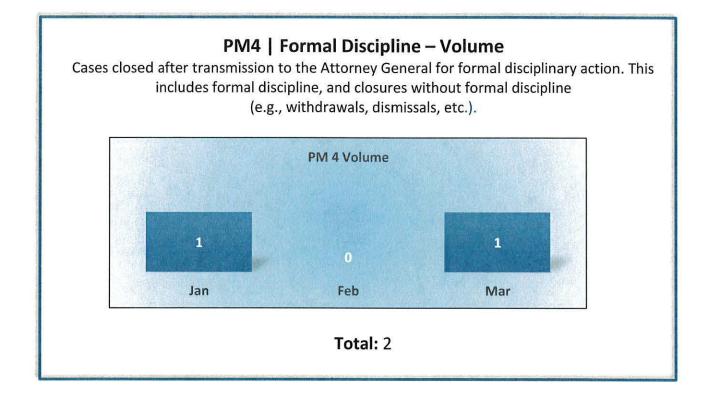


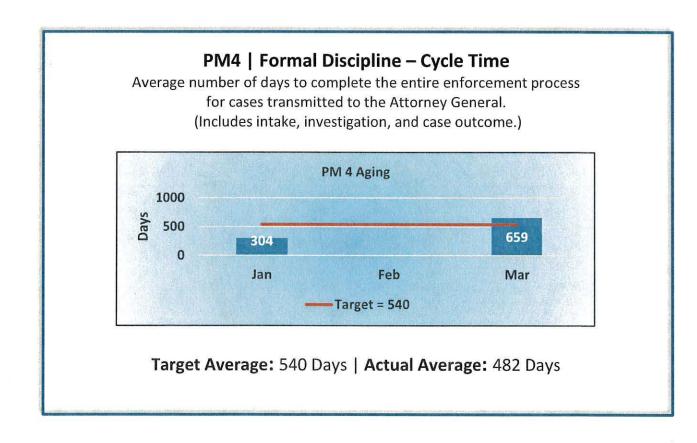


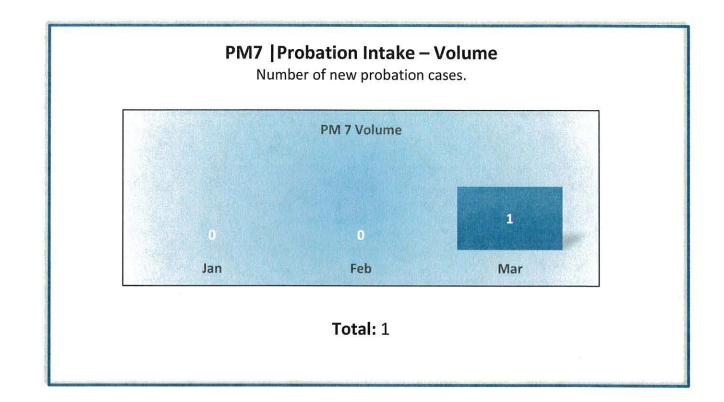


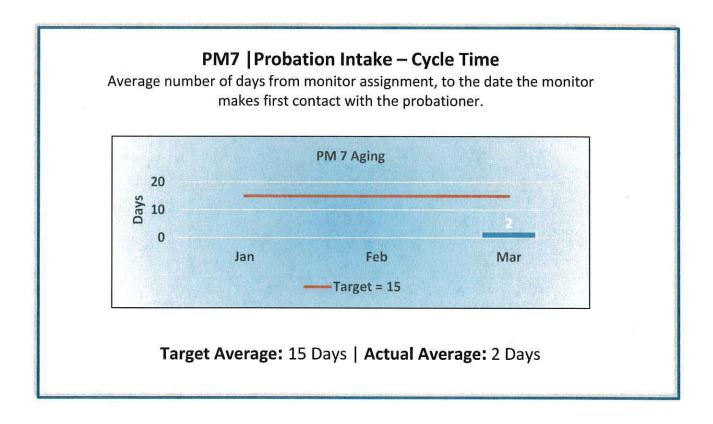












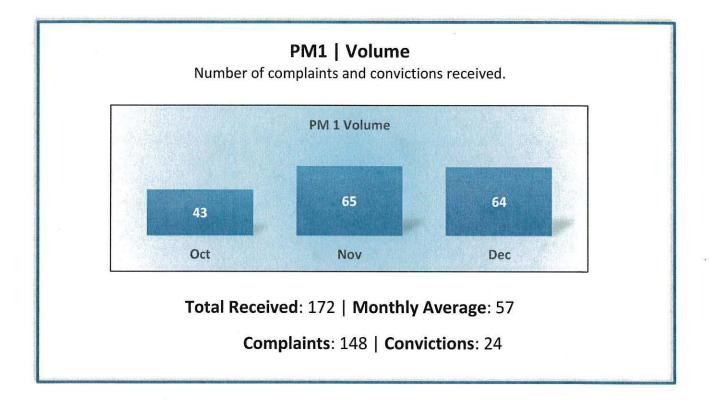
The Bureau did not have any probation violations this quarter.

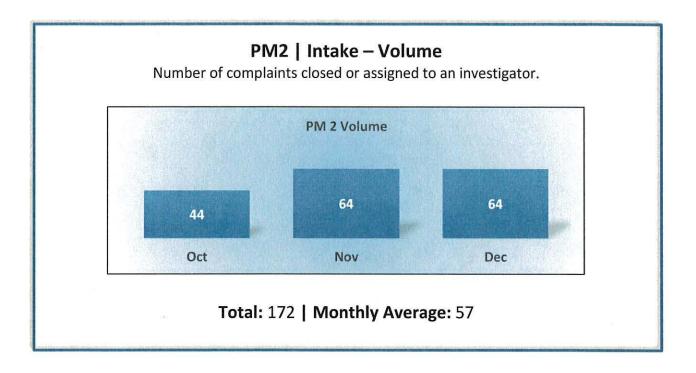
#### PM8 | Probation Violation Response – Cycle Time

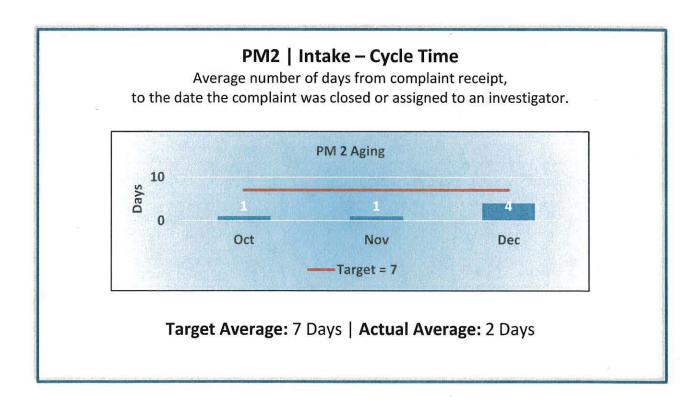
Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.

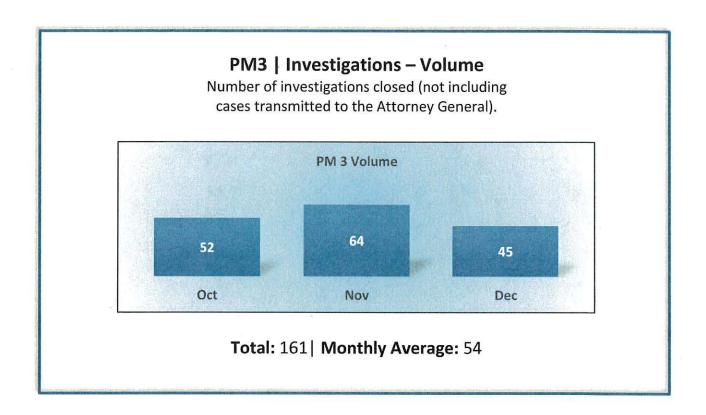
# **Enforcement Performance Measures**

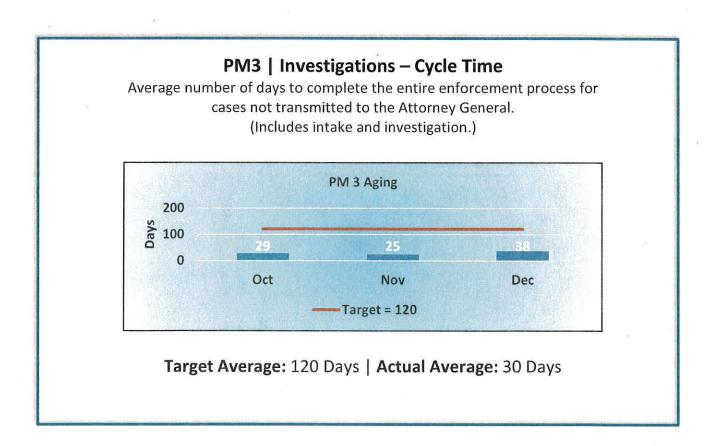
### Q2 Report (October - December 2016)

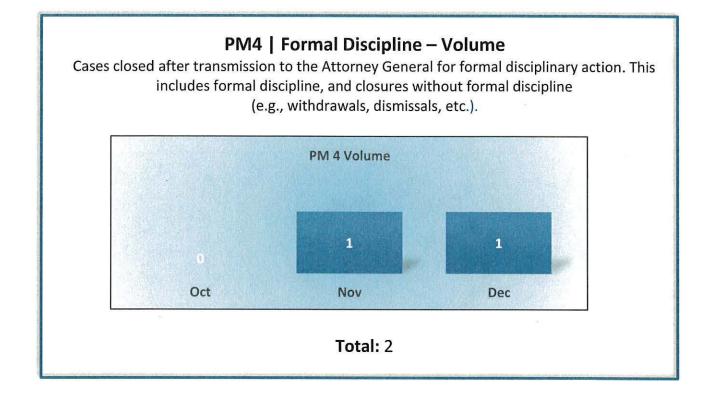


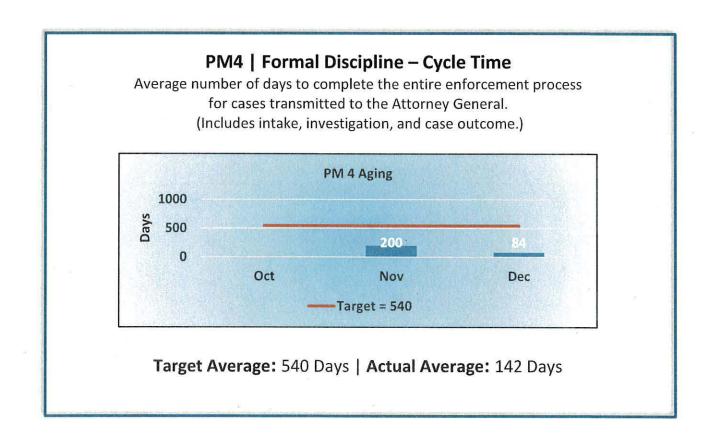


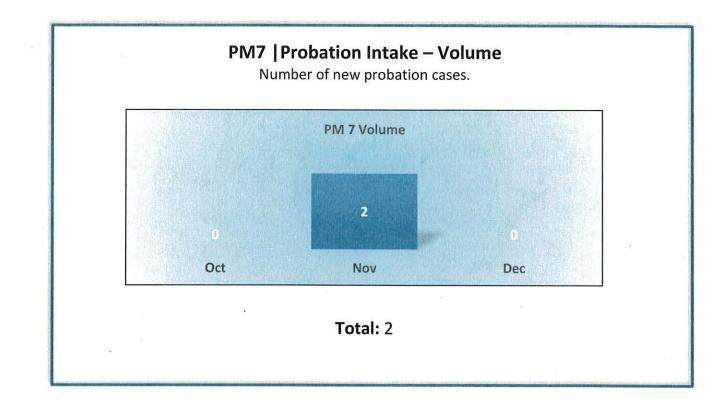


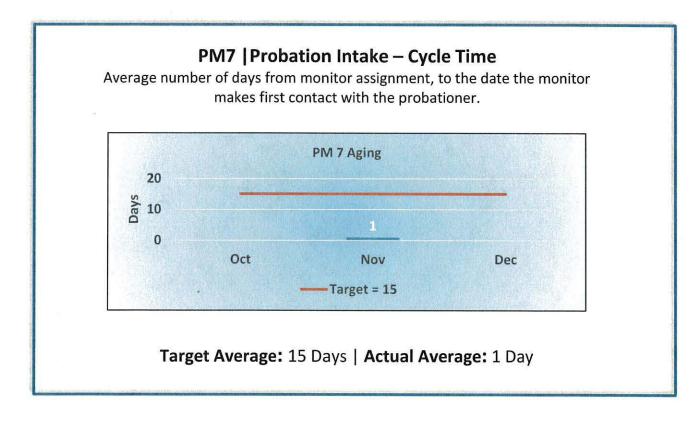










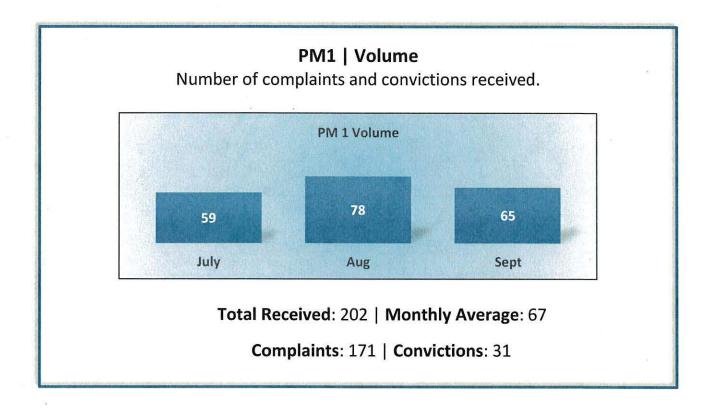


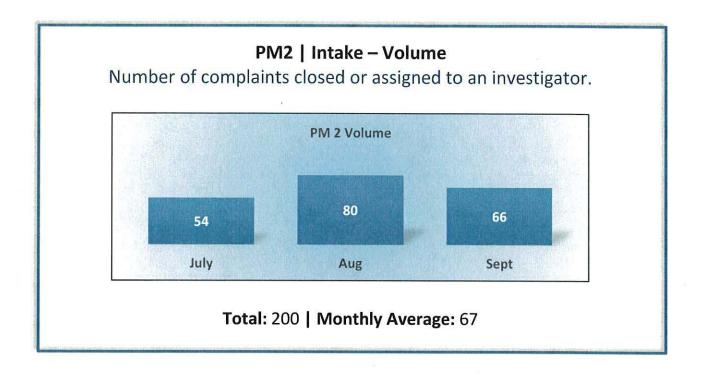
The Bureau did not have any probation violations this quarter.

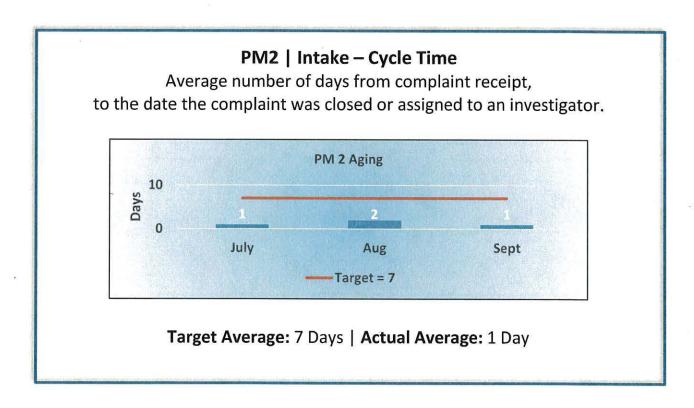


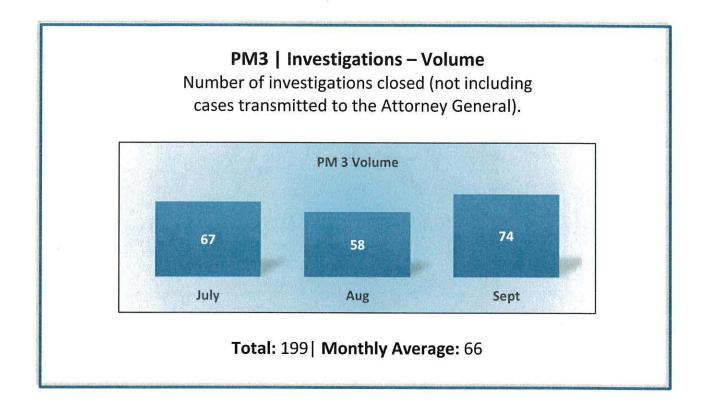
# **Enforcement Performance Measures**

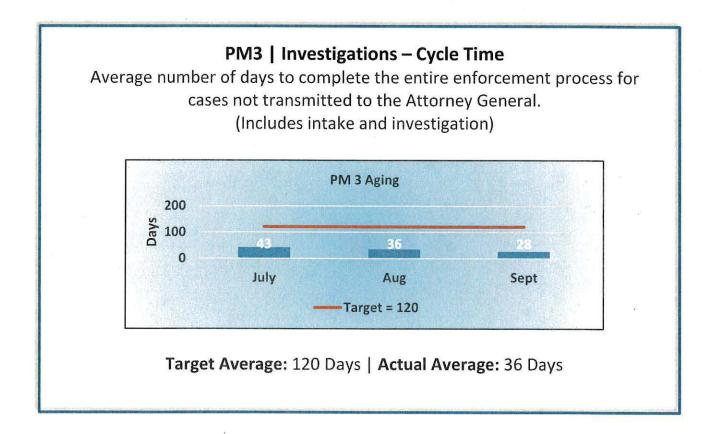
### Q1 Report (July - September 2016)

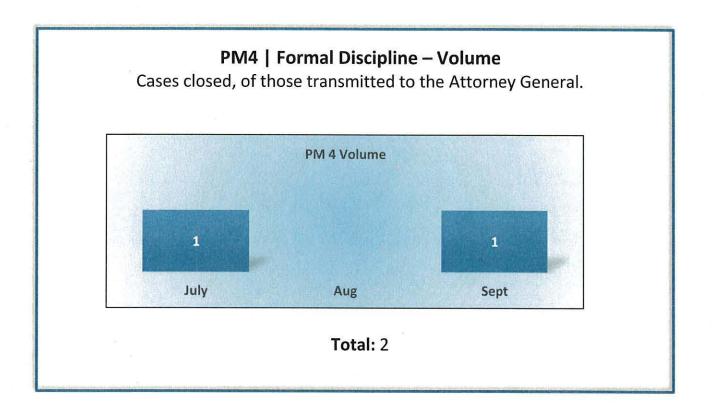


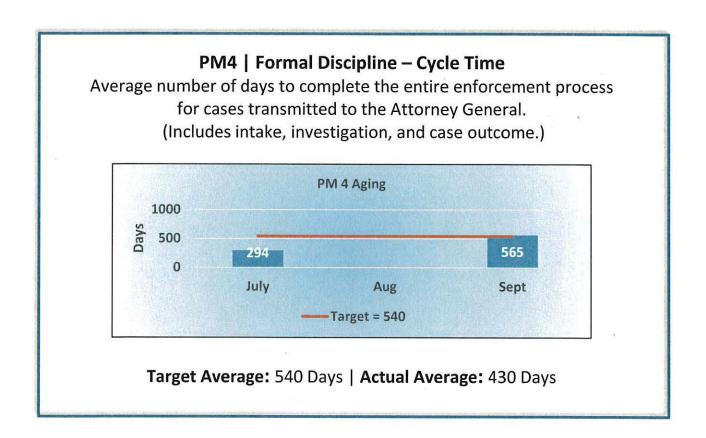


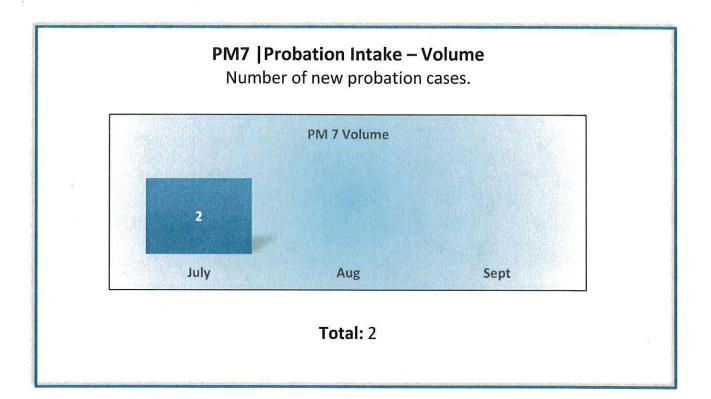


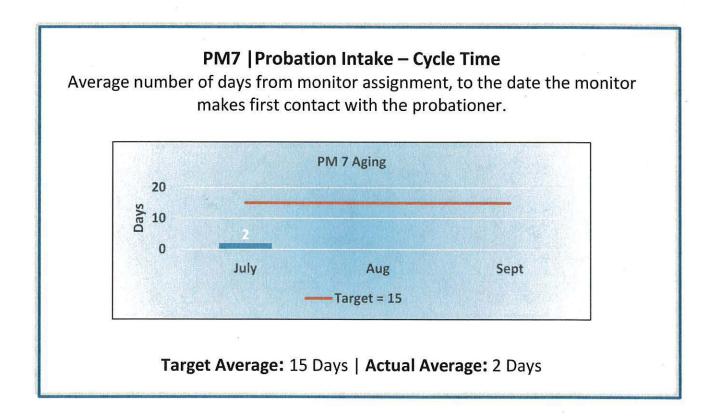












The Bureau did not have any probation violations this quarter.

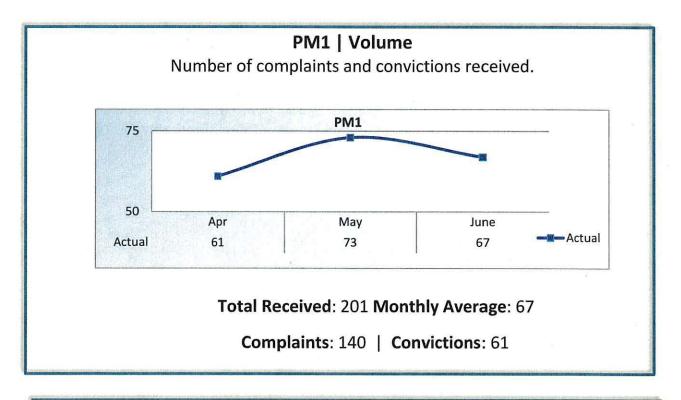
#### PM8 | Probation Violation Response – Cycle Time

Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.

# **Performance Measures**

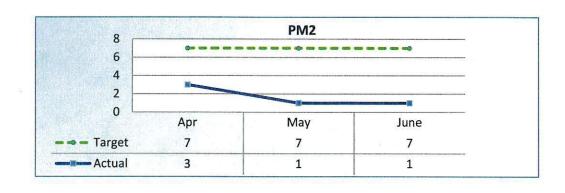
### Q4 Report (April - June 2016)

To ensure stakeholders can review the Bureau's progress toward meeting its enforcement goals and targets, we have developed a transparent system of performance measurement. These measures will be posted publicly on a quarterly basis.

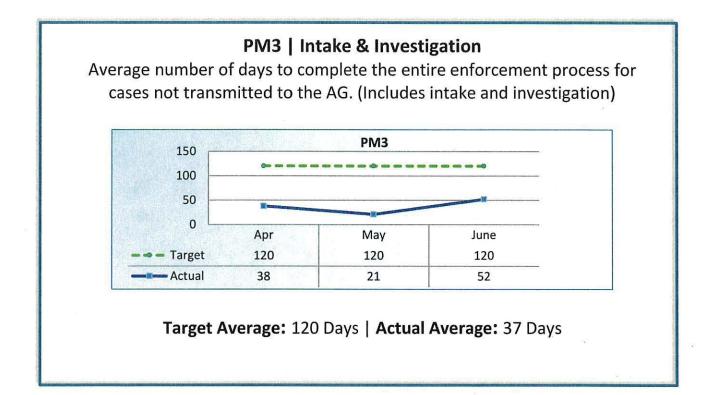


### PM2 | Intake

Average cycle time from complaint receipt, to the date the complaint was assigned to an investigator.

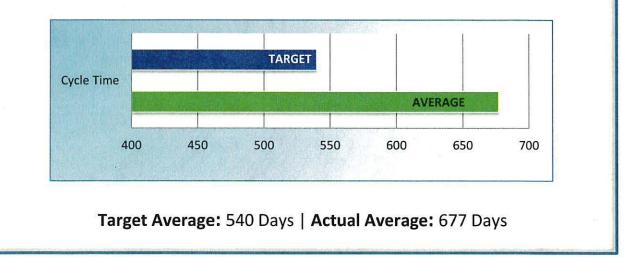


Target Average: 7 Days | Actual Average: 2 Days



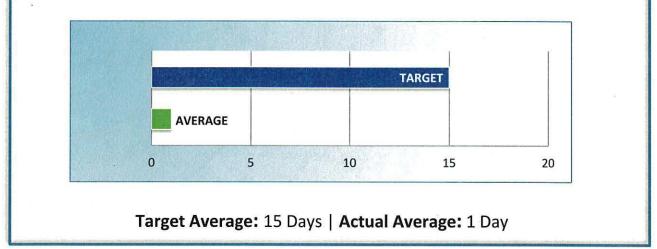


Average number of days to complete the entire enforcement process for cases transmitted to the AG for formal discipline. (Includes intake, investigation, and transmittal outcome)





Average number of days from monitor assignment, to the date the monitor makes first contact with the probationer.



### PM8 | Probation Violation Response

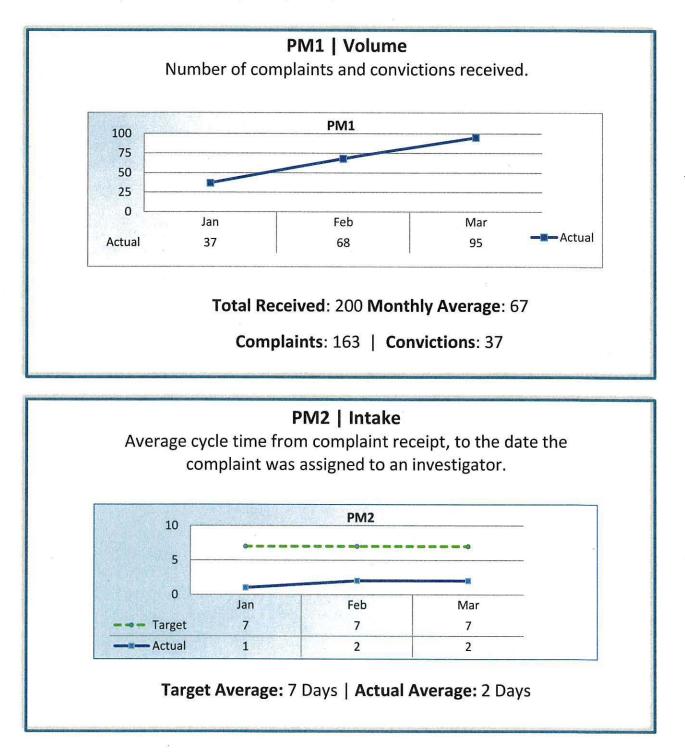
Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.

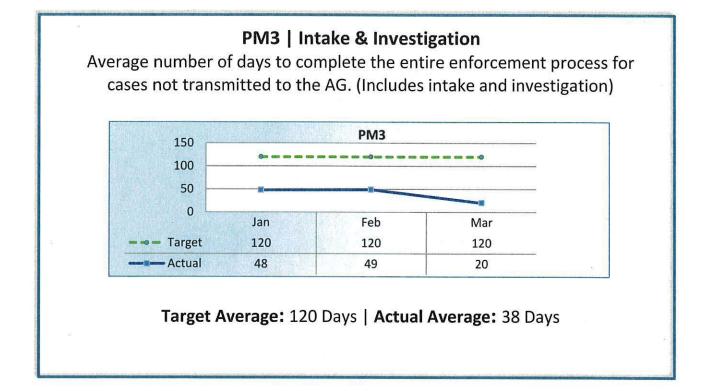
The Bureau did not have any probation violations this quarter.

Target Average: 15 Days | Actual Average: n/a

## **Performance Measures**

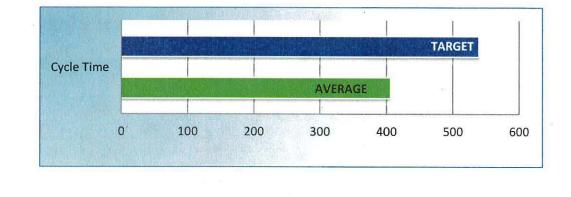
### Q3 Report (January – March 2016)



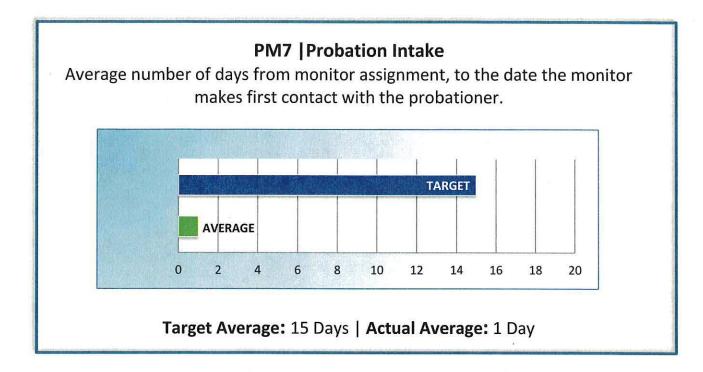


## PM4 | Formal Discipline

Average number of days to complete the entire enforcement process for cases transmitted to the AG for formal discipline. (Includes intake, investigation, and transmittal outcome)



Target Average: 540 Days | Actual Average: 406 Days



### PM8 | Probation Violation Response

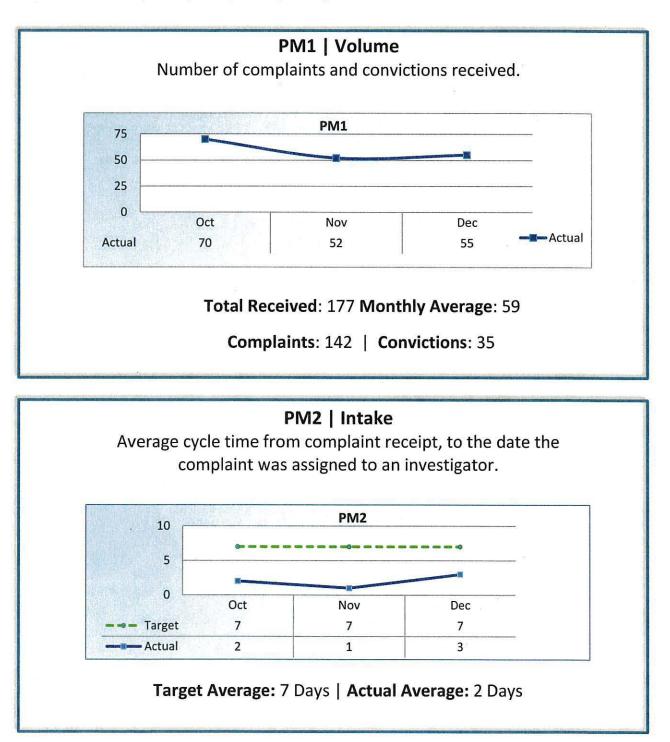
Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.

The Bureau did not have any probation violations this quarter.

Target Average: 15 Days | Actual Average: N/A

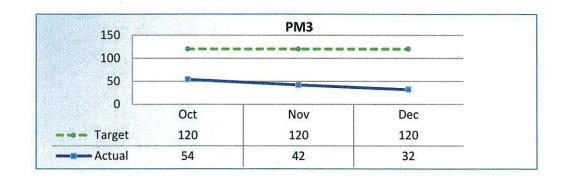
## **Performance Measures**

### Q2 Report (October - December 2015)



### PM3 | Intake & Investigation

Average number of days to complete the entire enforcement process for cases not transmitted to the AG. (Includes intake and investigation)



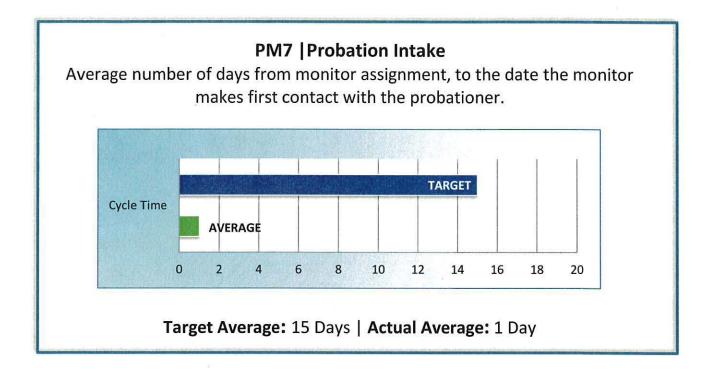
Target Average: 120 Days | Actual Average: 43 Days

#### PM4 | Formal Discipline

Average number of days to complete the entire enforcement process for cases transmitted to the AG for formal discipline. (Includes intake, investigation, and transmittal outcome)

600	PM4		
400			
200			
	101117-077-0-10-00-00-00-00-00-00-00-00-00-00-00-0	<u>,</u>	Y
	Oct	Nov	Dec
Target	540	540	540
Actual	468	571	501

Target Average: 540 Days | Actual Average: 516 Days



## PM8 | Probation Violation Response

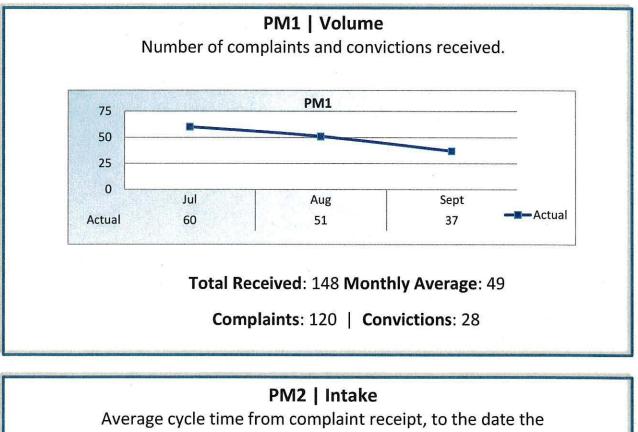
Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.

The Bureau did not have any probation violations this quarter.

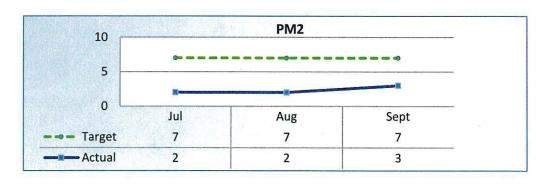
# **Performance Measures**

## Q1 Report (July - September 2015)

To ensure stakeholders can review the Bureau's progress toward meeting its enforcement goals and targets, we have developed a transparent system of performance measurement. These measures will be posted publicly on a quarterly basis.



complaint was assigned to an investigator.

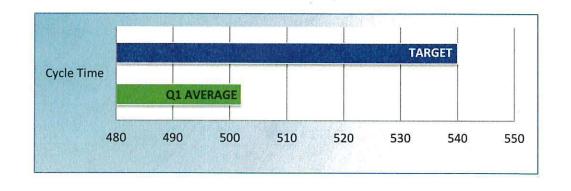


Target Average: 7 Days | Actual Average: 2 Days

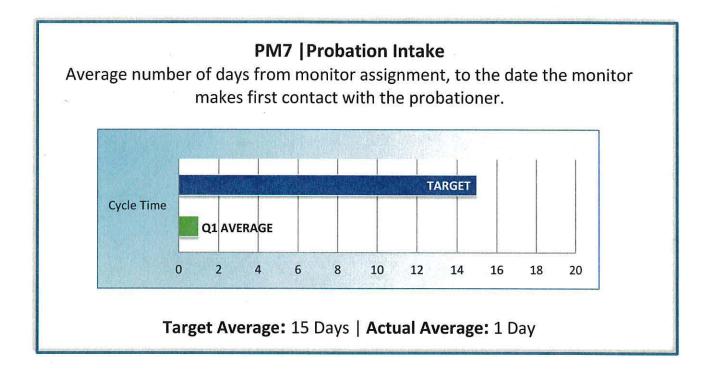
#### PM3 | Intake & Investigation Average number of days to complete the entire enforcement process for cases not transmitted to the AG. (Includes intake and investigation) PM3 150 100 50 0 Jul Sept Aug 120 Target 120 120 Actual 63 35 60 Target Average: 120 Days | Actual Average: 54 Days

# PM4 | Formal Discipline

Average number of days to complete the entire enforcement process for cases transmitted to the AG for formal discipline. (Includes intake, investigation, and transmittal outcome)



Target Average: 540 Days | Actual Average: 502 Days



#### **PM8** | Probation Violation Response

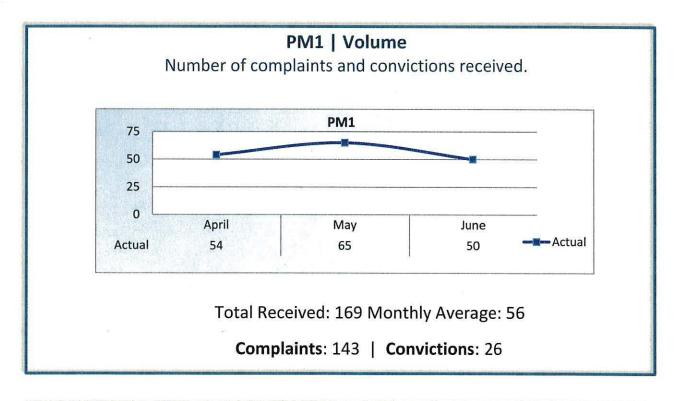
Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.

The Bureau did not have any probation violations this quarter.

# **Performance Measures**

## Q4 Report (April - June 2015)

To ensure stakeholders can review the Bureau's progress toward meeting its enforcement goals and targets, we have developed a transparent system of performance measurement. These measures will be posted publicly on a quarterly basis.

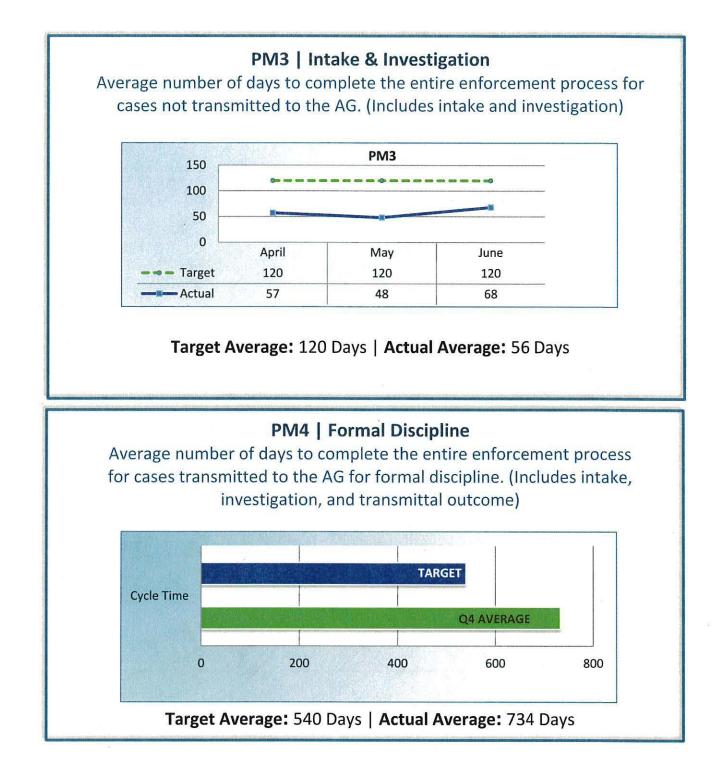


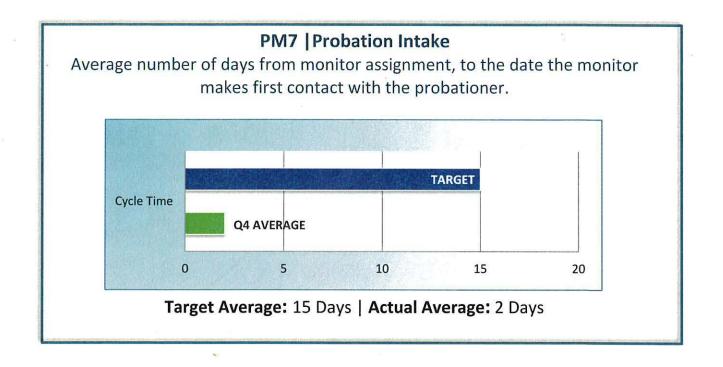
## PM2 | Intake

Average cycle time from complaint receipt, to the date the complaint was assigned to an investigator.

8 —	的分析通知和	PM2	
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2		and the second se	
o 🖵	April	May	June
🕶 🗕 Target	7	7	7
<ul> <li>Target</li> <li>Actual</li> </ul>	2	2	3

Target Average: 7 Days | Actual Average: 2 Days





## PM8 |Probation Violation Response

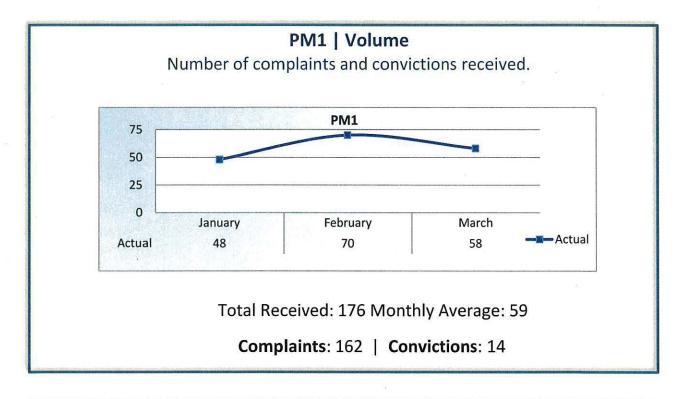
Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.

The Bureau did not have any probation violations this quarter.

# **Performance Measures**

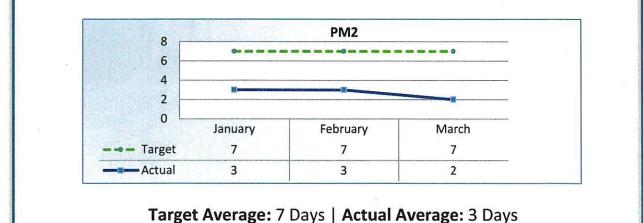
## Q3 Report (January - March 2015)

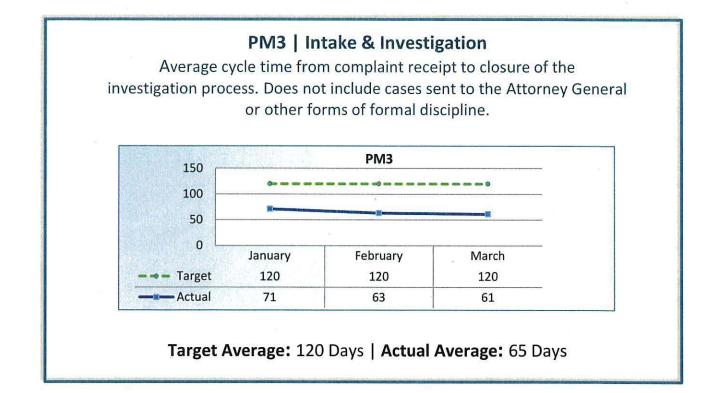
To ensure stakeholders can review the Bureau's progress toward meeting its enforcement goals and targets, we have developed a transparent system of performance measurement. These measures will be posted publicly on a quarterly basis.





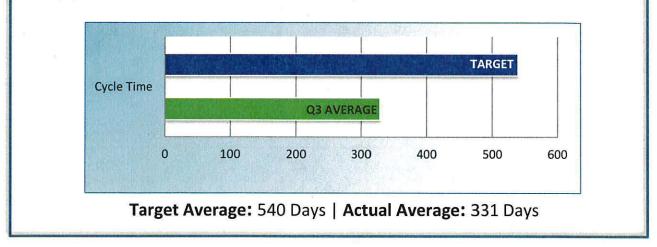
Average cycle time from complaint receipt, to the date the complaint was assigned to an investigator.





## PM4 | Formal Discipline

Average number of days to complete the entire enforcement process for cases resulting in formal discipline. (Includes intake and investigation by the Bureau and prosecution by the AG).



PM7 | Probation Intake

Average number of days from monitor assignment, to the date the monitor makes first contact with the probationer.

# The Bureau did not contact any new probationers this quarter.

Target Average: 15 Days | Actual Average: N/A Day

## PM8 | Probation Violation Response

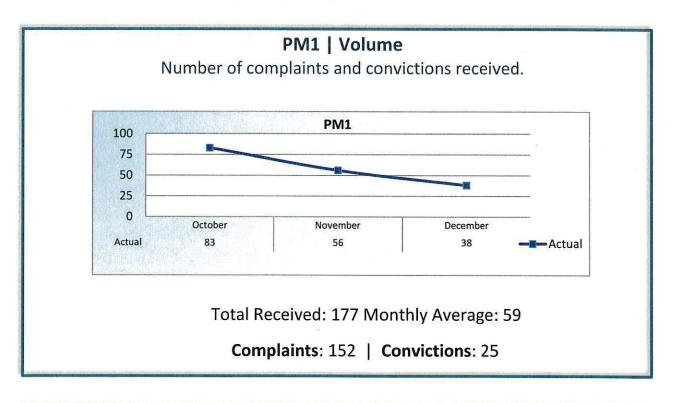
Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.

The Bureau did not have any probation violations this quarter.

# **Performance Measures**

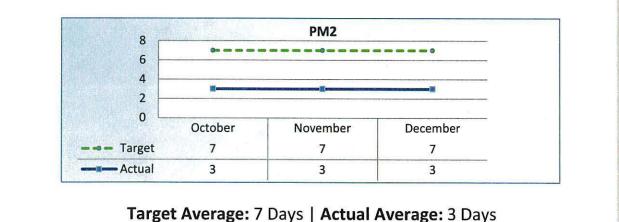
# Q2 Report (October - December 2014)

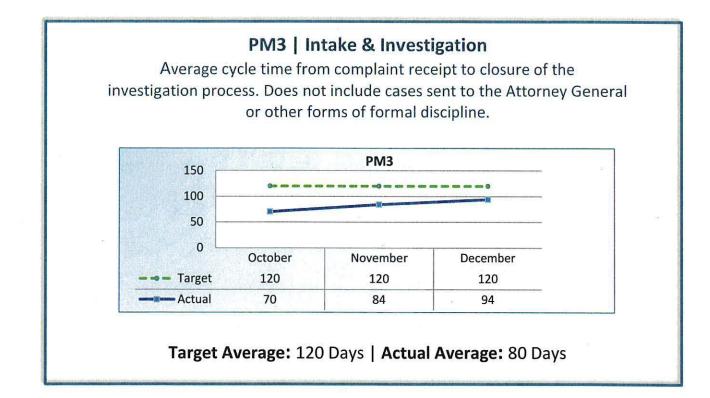
To ensure stakeholders can review the Bureau's progress toward meeting its enforcement goals and targets, we have developed a transparent system of performance measurement. These measures will be posted publicly on a quarterly basis.





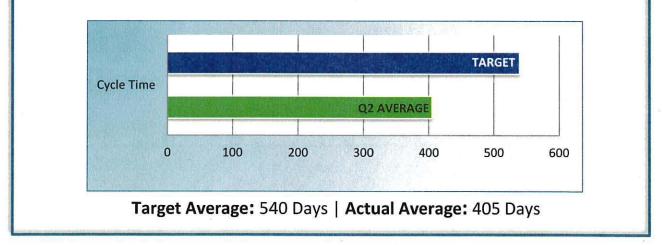
Average cycle time from complaint receipt, to the date the complaint was assigned to an investigator.

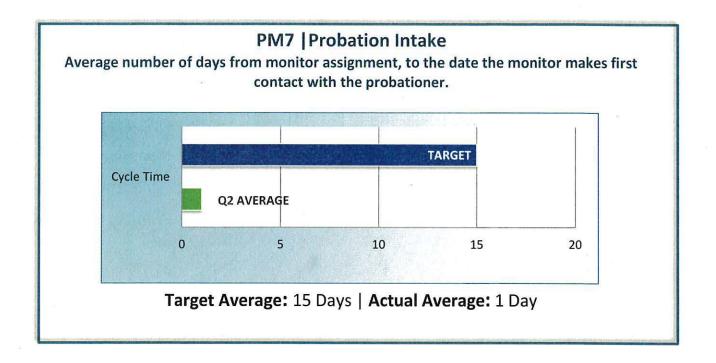




## PM4 | Formal Discipline

Average number of days to complete the entire enforcement process for cases resulting in formal discipline. (Includes intake and investigation by the Bureau and prosecution by the AG).





### PM8 | Probation Violation Response

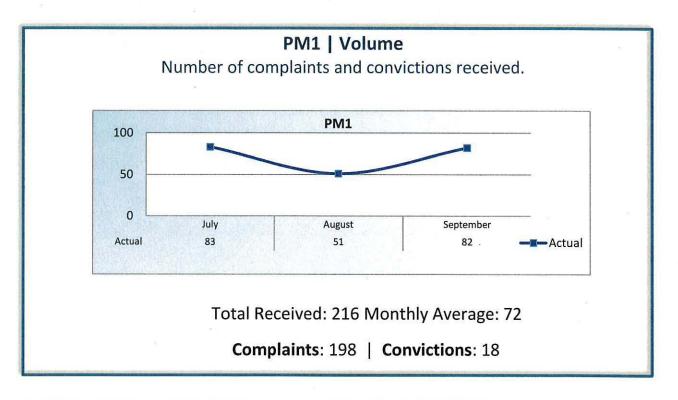
Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.

The Bureau did not have any probation violations this quarter.

# **Performance Measures**

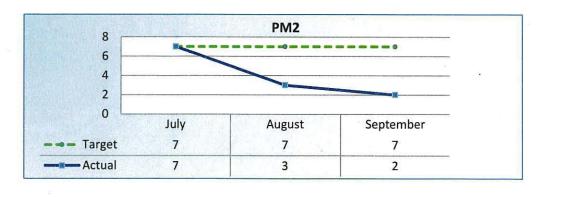
## Q1 Report (July - September 2014)

To ensure stakeholders can review the Bureau's progress toward meeting its enforcement goals and targets, we have developed a transparent system of performance measurement. These measures will be posted publicly on a quarterly basis.

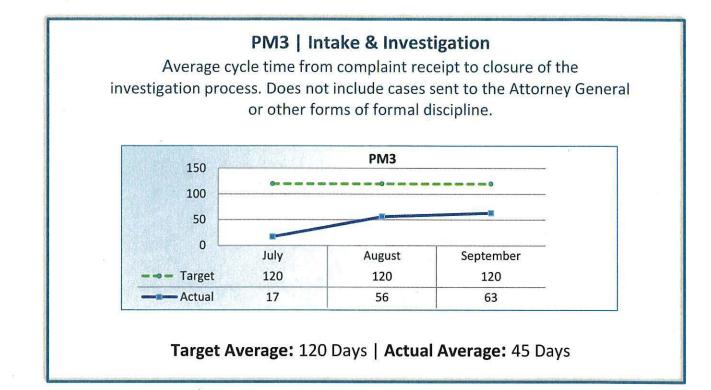




Average cycle time from complaint receipt, to the date the complaint was assigned to an investigator.

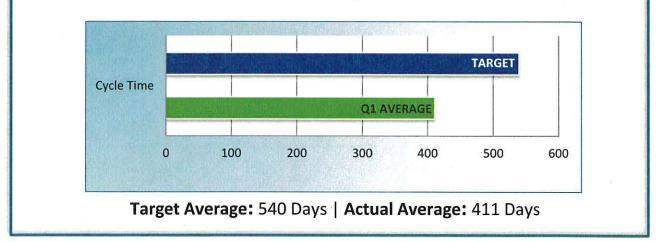


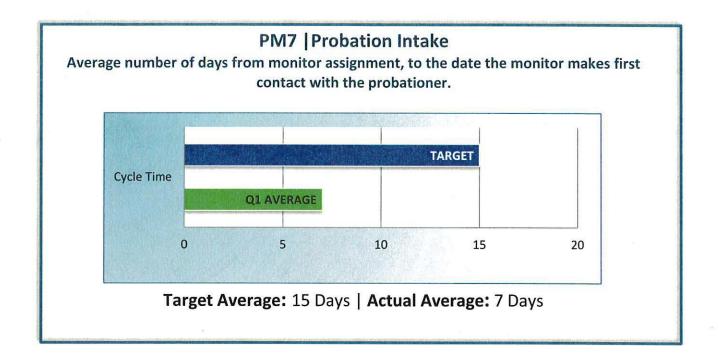
Target Average: 7 Days | Actual Average: 5 Days



### PM4 | Formal Discipline

Average number of days to complete the entire enforcement process for cases resulting in formal discipline. (Includes intake and investigation by the Bureau and prosecution by the AG).





## PM8 |Probation Violation Response

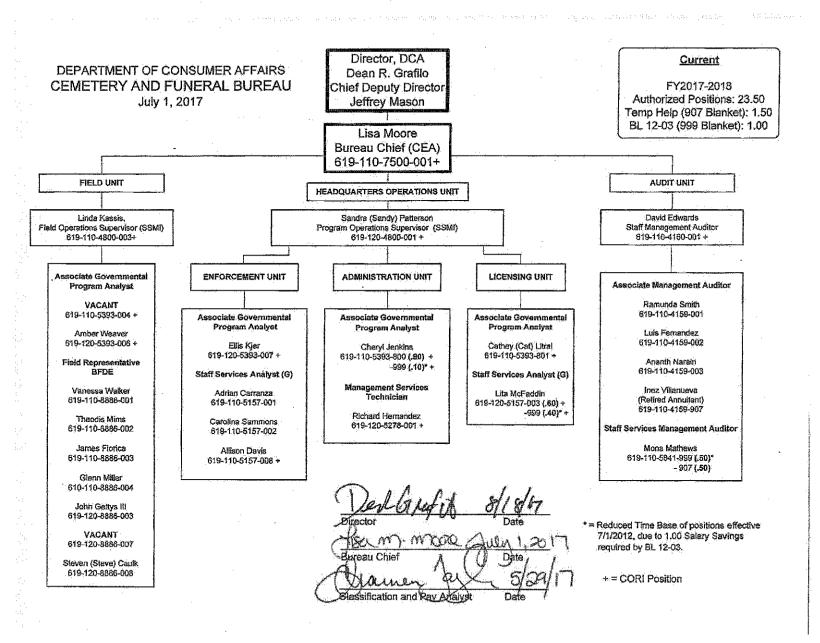
Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.

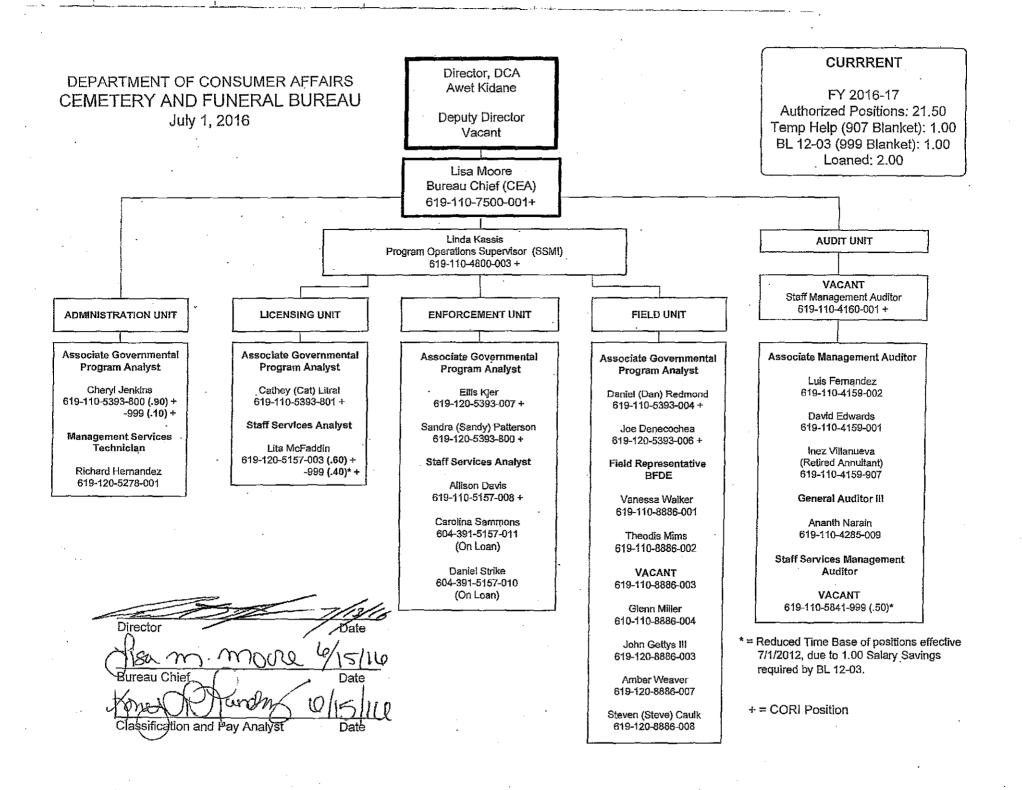
The Bureau did not report any new probation violations this quarter.

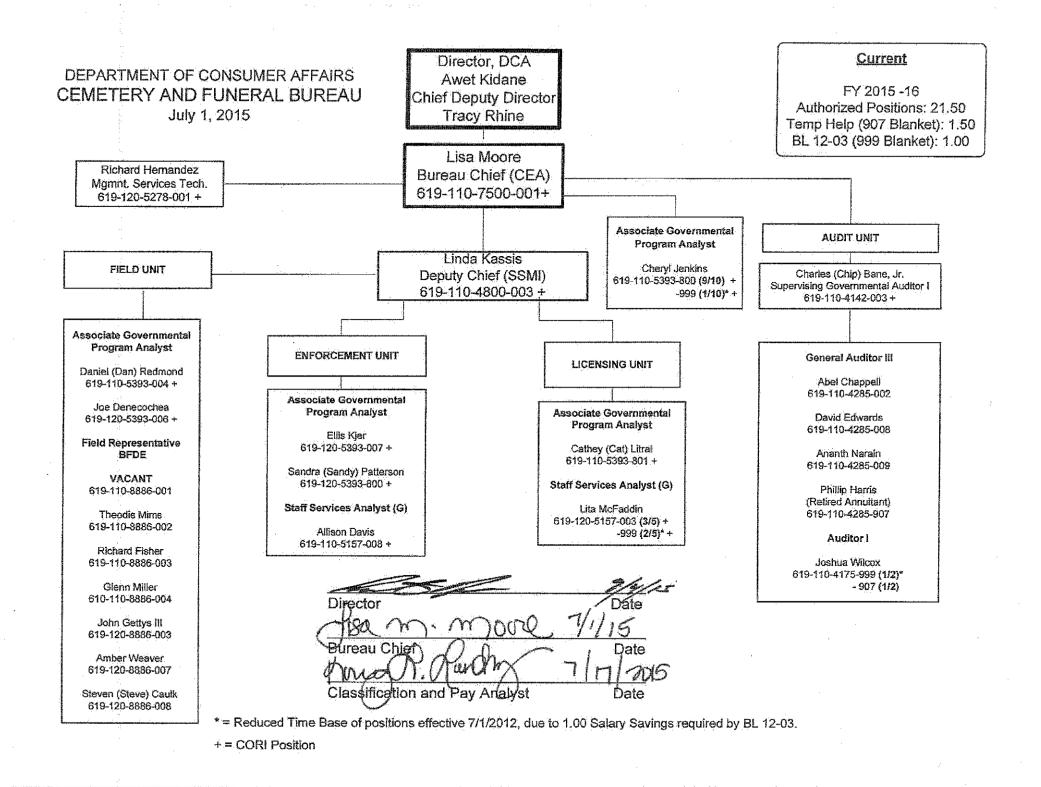


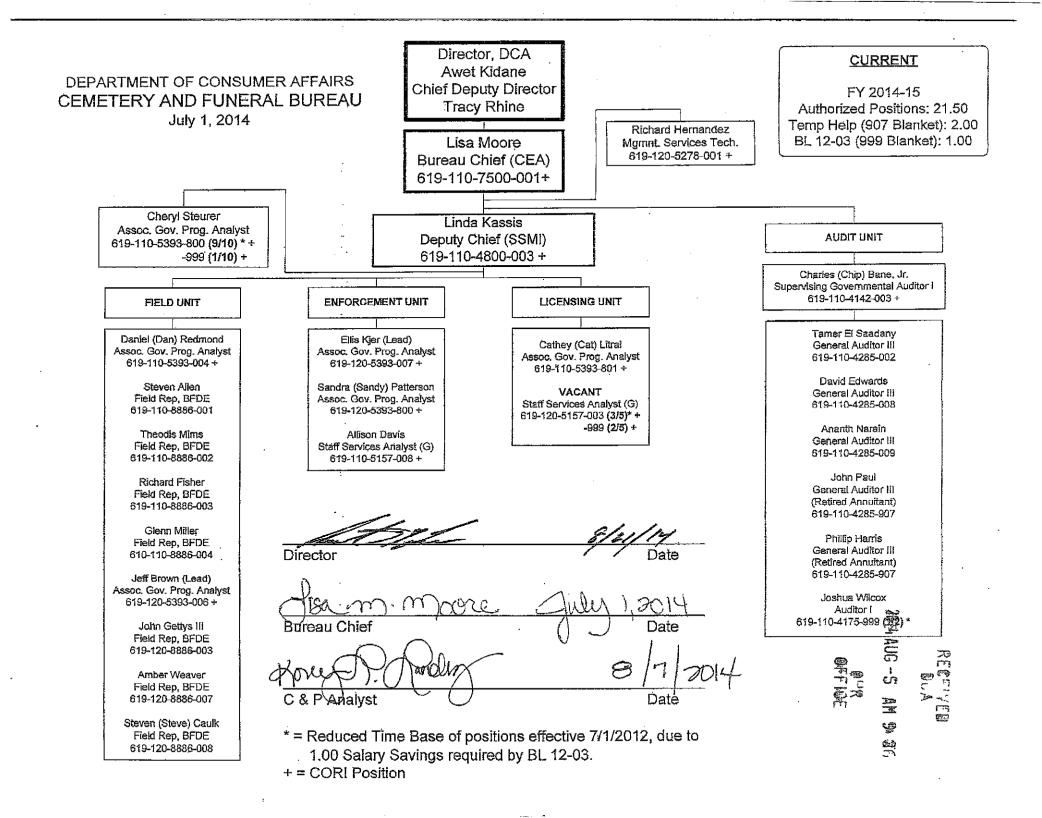
# **Attachment I**

Cemetery and Funeral Bureau Organizational Charts Fiscal Years 2014–15, 2015–16, 2016–17, 2017–18











# **Attachment J**

**Table 3, Expenditures by Program Component** 

				Tabl	Table 3. Expenditu	anditure	s by Pr	ogram	res by Program Component (Funeral <sup>1</sup> )	int (Fun	eral <sup>1</sup> )					
		FY 2014-15	L-15			FY 2015-16	-16			FY 2016-17	7			FY 2017-18	-18	
Dollars in Thousands	Personnel Services	OE&E	Total	%4	Personnel Services	OE&E	Total	%4	Personnel Services	OE&E	Total	%	Personnel Services	OE&E	Total	%
Enforcement	\$453	\$372	\$825	58%	\$511	\$310	\$821	62%	0\$	\$0	0\$	%0	0\$	\$0	0\$	%0
Auditing	\$0	\$0	\$0	%0	\$0	\$0	\$0	%0	0\$	\$0	\$0	%0	0\$	\$0	0\$	%0
Licensing <sup>2</sup>	\$48	\$47	\$95	7%	\$55	\$29	\$84	6%	0\$	\$0	\$0	%0	0\$	\$0	0\$	%0
Administration <sup>3</sup>	\$113	\$64	\$177	12%	\$128	\$53	\$181	14%	0\$	\$0	\$0	%0	0\$	\$0	0\$	%0
DCA Pro Rata	\$0	\$326	\$326	23%	\$0	\$241	\$241	18%	\$0	\$0	\$0	%0	\$0	\$0	\$0	%0
TOTALS	\$614	\$809	\$1,423	100%	\$694	\$633	\$1,327	100%	0\$	\$0	\$0	%0	0\$	\$0	0\$	%0
<sup>1</sup> The State Funeral Directors and Embalmers Fund merged with the Cemetery Fund on July 1, 2016, establishing the Cemetery and Funeral Fund <sup>2</sup> Examination development and administration costs are included in licensing OE&E <sup>3</sup> Administration includes costs for executive staff, Bureau, administrative support, and fiscal services <sup>4</sup> Percentage reflects the category's total expenditures relative to the fund's overall total expenditures Collected reimbursements are not included in expenditures	al Directors and slopment and a ludes costs for ts the category ements are no	d Embalme Idministratic r executive r's total exp r included i	rs Fund me on costs are staff, Bures enditures ru n expenditu	erged with e included au, adminis elative to t <u>ures</u>	the Cemetery in licensing Of strative suppor he fund's over:	Fund on July E&E t, and fiscal all total expe	/ 1, 2016, e: services inditures	stablishing	the Cemetery a	ind Funeral	Fund					

			Table 3	3. Expe	Table 3. Expenditures by Pro	by Prog	Jram Co	nodmc	ogram Component (Cemetery and Funeral Fund <sup>1</sup> )	tery an	d Fune	eral Fur	lud1)			
		FY 2014-15 <sup>2</sup>	-152			FY 2015-	5-16 <sup>2</sup>			FY 2016-17	17		FY 2016	FY 2016-17 (through May 31, 2018)	h May 31, 20	18)
Dollars in Thousands	Personnel Services	OE&E	Total	s‰	Personnel Services	OE&E	Total	%2	Personnel Services	OE&E	Total	%2	Personnel Services	OE&E	Total	‰₅
Enforcement	\$614	\$179	\$793	35%	\$580	\$250	\$830	38%	\$1,114	\$400	\$1,514	45%	\$1,137	\$182	\$1,319	43%
Auditing	\$410	\$106	\$516	23%	\$386	\$103	\$489	23%	\$384	\$148	\$532	16%	\$392	\$56	\$448	15%
Licensing <sup>3</sup>	\$103	\$29	\$132	6%	\$97	\$36	\$133	6%	\$153	\$54	\$207	6%	\$157	\$22	\$179	6%
Administration <sup>4</sup>	\$297	\$77	\$374	17%	\$280	\$74	\$354	16%	\$413	\$78	\$491	15%	\$421	\$60	\$614	20%
DCA Pro Rata	\$0	\$432	\$432	19%	\$0	\$358	\$358	17%	\$0	\$589	\$589	18%	\$0	\$614	\$614	20%
TOTALS	\$1,424		\$823 \$2,247	100%	\$1,343	\$821	\$2,164	100%	\$2,064	\$1,269	\$3,333	100%	\$2,107	\$934	\$3,041	100%
<sup>1</sup> The State Funeral Directors and Embalmers Fund merged with the Cemetery Fund on July 1, 2016, creating the Cemetery and Funeral Fund	al Directors and	d Embalme	rs Fund m€	srged with	the Cemetery	Fund on July	/ 1, 2016, ci	reating the	Cemetery and F	-uneral Fun	q					
Exeritects activity for the Cemetery Fund only Examination development and administration costs are included in licensing OE&E	for the Cemete elopment and s	ery ⊢una oni administrati	ly on costs al	re included	l in licensina C	)E&E										
<sup>4</sup> Administration includes costs for executive staff, Bureau, administrative support, and fiscal services	cludes costs fo	or executive	staff, Bure	au, admin	istrative suppo	ort, and fiscal	services									
<sup>5</sup> Percentage reflects the category's total expenditures relative to the fund's overall total expenditures	cts the categor	y's total ext	<b>senditures</b>	relative to	the fund's ove	rall total expe	enditures									

Percentage reflects the category's total expenditures relative to the fund's overall total expenditure Percentage reflects the category's total expenditures relative to the fund's overall total expenditure Collected reimbursements are not included in expenditures