

Cemetery and Funeral Bureau
Advisory Committee Meeting Minutes

Tuesday, November 29, 2016

Department of Consumer Affairs
1625 North Market Boulevard, El Dorado Room
Sacramento, CA 95834

Advisory Committee Members:

Christopher Donhost
Darin Drabing
Maria Mangini
Suzette Sherman

Guest Attendees:

Jerry Desmond
Jim Draper
Marjorie Bridges
George Prather

Damon de la Cruz
Liz Garden
Valarie Rose

Cemetery and Funeral Bureau Staff: Lisa M. Moore, Bureau Chief; David Edwards, Supervising Auditor; Cheryl Jenkins, Legislative Analyst;

Department of Consumer Affairs Staff: Angelique Scott, Staff Counsel; Jonathan Burke, Board and Bureau Relations; Taylor Schick, Budget Officer

1. Introduction and Opening Remarks

Bureau Chief Lisa M. Moore called the meeting to order at approximately 10:15 a.m. welcoming those in attendance and introducing Bureau staff. Ms. Moore asked Departmental staff in attendance to introduce themselves.

Ms. Moore asked the Committee Members (Members) to introduce themselves and give some brief background about who they are and what they do. Darin Drabing, President and CEO of Forest Lawn Memorial Parks and Mortuaries in Southern California, has been in the industry for 32 years; Suzette Sherman is founder of SevenPonds, a website-based organization for end-of-life resources and information to educate consumers; Maria Mangini is a Family Nurse Practitioner and Director of the Family Nurse Practitioner Program at Holy Names University; and Chris Donhost works with Sierra Donor Services, an organ procurement organization in California, and has been in the industry for 16 years. Members Jolena Grande, Tracy Hughes, and Gerard Reinert were unable to attend due to a mechanical issue with their flight.

Ms. Moore stated that the Bureau is not statutorily mandated to have this Committee but does so because it provides a forum for both consumers and licensees to provide input on funeral and cemetery-related issues and allows the Bureau to do business in an open and transparent environment. The Committee is a “working committee” and participation and discussion of agenda items is encouraged.

2. Update on Bureau Activities / Projects: Staffing; Examination Development; Endowment Care Fund Sufficiency Report; Annual Audit Reports

Staffing: At the last meeting, Ms. Moore announced she was in the process of restructuring the Bureau's management positions and is happy to announce that process has been completed. The Bureau will no longer utilize the "Deputy Chief" title; instead that position title has been changed to Field Unit Supervisor and Linda Kassis remains in the position supervising the inspection and investigation activities of the field staff. Sandy Patterson, who has been with the Bureau for nine years, was promoted and now serves as the Program Operations Supervisor, supervising the staff that performs licensing, enforcement, and administrative activities for the Bureau. This change will allow the Bureau to operate more efficiently and streamline some of its processes.

Ms. Moore also announced that she hired a new Supervising Auditor. David Edwards, who has been with the Bureau for about three years, was promoted to the position to fill behind Chip Bane who retired in April. Finally, the Bureau recently hired Ramunda Smith, an Associate Auditor, to fill behind David.

The Bureau is recruiting for an entry-level auditor position; interviews were conducted and the Bureau is continuing with the hiring process.

Examination Development: Ms. Moore stated the Bureau continuously works on examination development for the five different examinations the Bureau administers: funeral director, embalmer, crematory manager, cemetery manager, and cemetery broker. This fiscal year the Bureau is working on the funeral director and cemetery broker exams. The funeral director examination includes an occupational analysis this year and several workshops have already been held to begin this process. An occupational analysis defines a profession in terms of the actual tasks that new licensees must be able to perform safely and competently at the time of licensure. In order to develop a fair, job-related, and legally defensible examination, it must be based on what licensees actually do on-the-job. These are done every five to seven years for each examination that the Bureau administers. In the next several months licensed funeral directors will receive a letter asking them to complete an online survey about the tasks and knowledge necessary for entry level into the profession. The survey responses will be reviewed and organized by the Department's Office of Professional Examination Services. There will then be five two-day workshops to complete the occupational analysis and examination development for the funeral director examination. The Bureau will be soliciting subject matter experts for those workshops after the first of the year.

Next year, around May or June, the Bureau will begin working on the cemetery broker examination. There is no occupational analysis needed for this so there will only be two workshops. Around March the Bureau will be soliciting licensed cemetery brokers to serve as subject matter experts for the workshops.

Endowment Care Fund Sufficiency Report: Ms. Moore reported the Bureau continues to work on this project. Assembly Bill 180 was the Bureau's Sunset Bill and it requires the Bureau to conduct a study on the sufficiency of endowment care funds for future

maintenance of cemeteries and report its findings to the Legislature on January 1, 2018. The Bureau has held several meetings on this subject and sent out several letters to cemetery licensees. A focus group was established and met on August 18, 2016; subsequently, on October 24, 2016, the Bureau sent a letter to all licensed endowment care cemeteries asking for specific information about their cemeteries. This information is due to the Bureau by January 2, 2017. Once the information is received, it will be analyzed and the Bureau will meet with the focus group to discuss the findings.

Annual Audit Reports: The Audit Unit recently sent out letters to all licensed funeral establishments reminding them to file their 2015 Preneed Funeral Trust Fund Report and/or Preneed Funeral Trust Fund Declaration of Non-Reporting Status. Licensed funeral establishments are required to file one or the other or, in some cases, both depending on what kinds of trusts they hold. Ms. Moore asked David Edwards to briefly talk about the annual funeral preneed reporting requirements.

Mr. Edwards discussed the requirements for reporting funeral preneed trust funds as found in California Code of Regulations section 1269 Business and Professions Code sections 7737.3 and 7746.

3. Update on Posting Administrative Citations to the Bureau's Website

At the Bureau's last three meetings (November 2014, November 2015, and July 2016) discussions were held about posting administrative citations on its website. Currently, the Bureau only posts formal administrative actions on its website. Business and Professions Code section 27 requires the Bureau to post "other related enforcement action" on its website as well, including administrative citations. At the last Advisory Committee meeting, the Bureau provided a handout showing how the administrative citation information would be displayed on its website. The specific way the Bureau anticipated the documents to be accessed and displayed will require a significant amount of time to set-up through the Department's IT division and the Bureau will continue to work towards that. In the meantime, the Bureau will be providing the information in a slightly different way. Ms. Moore asked Cheryl Jenkins to discuss the proposed changes.

Ms. Jenkins explained the proposal presented at the last meeting will still be used and will display the administrative citations, by year, on its Enforcement and Disciplinary Actions webpage (<http://www.cfb.ca.gov/enforcement/index.shtml>). The information provided will include the licensee's name, license number, the citation number, the violations found, the fine amount (if any), and the effective date with the license number hyperlinked to the licensee record. The actual citation document will not be available to view on our website; if anyone would like a copy of the citation it can be requested through a Public Records Act request.

4. Update on Legislation / Regulations: Assembly Bill 1658; Assembly Bill 2859; Senate Bill 66; Senate Bill 1179; Senate Bill 1284; Senate Bill 1348; Funeral Preneed Trust Fund Report Rulemaking File

Ms. Moore asked Ms. Jenkins to update the committee on Legislation that will become effective January 1, 2017, related to or directly impacting the industry, and regulations

the Bureau is working on. Ms. Jenkins provided information on the following Legislation:

Assembly Bill 1658 (Bigelow, Chapter 242, Statutes of 2016): This bill authorizes the Happy Homestead Cemetery District to inter residents of specified Nevada communities if they meet specified conditions. (Adds Health and Safety Code section 9063.3)

Assembly Bill 2859 (Low, Chapter 473, Statutes of 2016): 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. (Adds Business and Professions Code section 464)

Senate Bill 66 (Leyva, Chapter 770, Statutes of 2016): 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 California Community Colleges. (Amends Business and Professions Code section 30)

Senate Bill 1179 (Vidak, Chapter 592, Statutes of 2016): 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. (Amends Health and Safety Code section 9002 and adds Chapter 5.5 commencing with section 9069.10 to Part 4 of Division 8 of Health and Safety Code)

Senate Bill 1284 (Hernandez, Chapter 39, Statutes of 2016): This bill allows the conservator of a person or 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. (Amends Health and Safety Code section 7105)

Senate Bill 1348 (Cannella, Chapter 174, Statutes of 2016): This bill requires DCA programs that accept military education, experience, or training to post that information on their website. (Amends Business and Professions Code section 114.5)

Regulations: Ms. Jenkins stated at the Bureau's last meeting we discussed the Funeral Preneed Trust Fund Report and presented a draft document for comment. The only comments received were minor and the Bureau intends to move forward with preparing the rulemaking file. All documents in the rulemaking file will be available to review and comment on during the public comment period and the public hearing which will be noticed.

5. Presentation about the Bureau's Fee Study: Dan Edds, Capital Accounting Partners

Ms. Moore stated the Bureau has been working with Dan Edds from Capital Accounting Partners, LLC, to complete a fee study to evaluate its current fee structure and look at any changes that may be necessary. Mr. Edds provided some preliminary information to the committee at its last meeting. The fee study is now complete and Mr. Edds will be discussing the project. Taylor Schick, who is the Budget Officer for DCA, was also present to answer any questions at the end of the presentation.

Mr. Edds introduced himself and explained his presentation was intended to be a high level overview. Mr. Edds explained the scope of this study was to calculate full cost of recovery for processing licenses and individual fee items and how to allocate overhead and support costs. The methodology used looked at the Bureau's revenue and expenditures and produced a cost for each service the Bureau provides. Mr. Edds then explained how this would be applied to the Bureau's licensing categories to calculate the cost for full recovery. The final step established the cost and then determined a pricing model and looked out 10 years to determine an appropriate fee cap. An increase in the Bureau's fee cap will require a statutory change and then the Bureau would need to adjust fees, as necessary on an incremental basis, through the regulatory process.

6. Public Comment on Items Not on Agenda

Ms. Moore asked if there was anyone who would like to make public comments about items not on the agenda.

George Prather, Legislative Chairman for California Funeral Directors Association, stated that they will be seeking Legislation in 2017 to allow trade embalmers to supervise apprentice embalmers.

7. Future Meeting Date (May 2017)

Ms. Moore stated the Bureau anticipates its next meeting in May 2017.

8. Adjournment

Ms. Moore thanked everyone for attending. The meeting was adjourned at approximately 11:55 a.m.