

# Cemetery and Funeral Bureau Advisory Committee Meeting Minutes

Thursday, July 14, 2016

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

## **Advisory Committee Members:**

Christopher Donhost  
Darin Drabing  
Jolena Grande  
Tracy Hughes  
Maria Mangini  
Gerard Reinert  
Suzette Sherman

## **Guest Attendees:**

Jerry Desmond  
Merrill Mefford  
Marjorie Bridges  
George Prather  
Angel Granades  
James Draper  
Mary Pollock  
Alex Kruger

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

**Department of Consumer Affairs Staff:** Angelique Scott, Staff Counsel; Jonathon Burke, Board and Bureau Relations

## **1. Introduction and Opening Remarks**

Bureau Chief Lisa M. Moore called the meeting to order at approximately 2:00 p.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; Chris Donhost works with Sierra Donor Services, an organ procurement organization in California, and has been in the industry for 16 years; Suzette Sherman is founder of SevenPonds, a website-based organization for end-of-life resources and information to educate consumers; Jolena Grande is a Faculty Member with the Mortuary Science Program at Cypress College and has been in the industry for 27 years; Gerard Reinert is the owner of Simplicity Cremation in Southern California and Funeral Convergence, a marketing company, and has been in the industry for 30 years; Maria Mangini is a Family Nurse Practitioner and Director of the Family Nurse Practitioner Program at Holy Names University; and Tracy Hughes is a Deputy District Attorney in the Orange County District Attorney's Office assigned to the Consumer Protection Unit.

Ms. Moore indicated 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; Funeral Regulations and Statutes Effective January 1, 2016; Endowment Care Fund Sufficiency Report**

Staffing: Ms. Moore announced the recent hire of Inez Villanueva and Luis Fernandez, auditors in the Audit Unit, and James Fiorica, a field representative in Northern California.

Ms. Moore also announced that Chip Bane, Supervising Auditor for the Audit Unit, retired at the end of April. The Bureau is in the process of filling this position, and recruiting for a vacant Staff Services Management Auditor position.

The Department’s Complaint Resolution Program was recently closed and the two staff that processed the less complex complaints for the Bureau, Carolina Sammons and Daniel Strike, joined the Bureau on July 1, 2016 and will continue to work those complaints.

Last, Ms. Moore is in the process of restructuring the Bureau’s management positions. The Bureau will no longer have a “Deputy Bureau Chief;” instead the Bureau will have a Field Unit Supervisor and a Program Operations Supervisor. Ms. Moore believes this will allow the Bureau to operate more efficiently and streamline some of its processes. She anticipates the changes no later than August 1, 2016.

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 will include an occupational analysis this year so there will be six separate workshops and the Bureau will be soliciting subject matter experts to participate in the workshops scheduled for 2016. Early next year, the Bureau will continue to solicit licensees for the remaining workshops for the funeral director examination development as well as the cemetery broker workshops.

Funeral Regulations and Statutes Effective January 1, 2016: Assembly Bill 180 (the Bureau’s sunset bill) became effective January 1, 2016 and does the following: subjects the Bureau to sunset review as if it were to sunset on January 1, 2020; merges the cemetery and funeral practice acts; merges the Bureau’s two separate funds (this provision is effective on July 1, 2016); and requires the Bureau conduct a study on the efficiency of endowment care funds used by cemeteries for future maintenance and submit a report to the Legislature by January 1, 2018.

Assembly Bill 181 became effective January 1, 2016 and amends Business and Professions Code section 7685 to require funeral establishments that maintain a website to post information about its goods and services by a link from the homepage containing specific key words.

There were a number of important changes in regulations that became effective January 1, 2016 and a summary of all regulatory changes can be found on the Bureau's website on the New Laws/Regulations webpage ([http://www.cfb.ca.gov/laws\\_regs/legsum.shtml](http://www.cfb.ca.gov/laws_regs/legsum.shtml)).

Endowment Care Fund Sufficiency Report: The Bureau held a workshop on November 16, 2015 with cemetery licensees to begin discussions about the requirements in Assembly Bill 180 for the Bureau to conduct a study on endowment care fund sufficiency. On March 11, 2016 the Bureau sent out a comprehensive letter to all cemetery licensees that explained the proposed methodology the Bureau would like to use to capture the necessary information. Ms. Moore has established a focus group to continue discussion of the study and that group is scheduled to meet on August 18, 2016.

### **3. Update on Rulemaking File: Private Cemeteries – Limited Liability Companies**

Ms. Moore asked Ms. Jenkins to provide an update on the status of the Limited Liability Company regulations.

Ms. Jenkins stated that the Private Cemeteries: Limited Liability Companies rulemaking file submitted to the Office of Administrative Law was disapproved on November 25, 2016 and a letter stating the reason for disapproval was issued to the Bureau. The Bureau made minor and technical changes to the proposed language in the regulatory file and held a 15-day public comment period for the modified language. The rulemaking file was resubmitted to the Office of Administrative Law and approved. The regulatory changes became effective July 1, 2016.

All documents associated with the Private Cemeteries: Limited Liabilities Companies rulemaking file can be viewed on the Bureau's website on the Proposed Regulations webpage ([http://www.cfb.ca.gov/laws\\_regs/proposed\\_regs.shtml](http://www.cfb.ca.gov/laws_regs/proposed_regs.shtml)).

### **4. Discussion about Posting Administrative Citations to the Bureau's Website**

At the Bureau's last two meetings (November 2014 and November 2015) 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. The Bureau prepared a proposal (handout) detailing how administrative citations would be posted on the website. Ms. Moore asked Ms. Jenkins to discuss the proposed changes.

Ms. Jenkins stated the proposed changes will mirror how the Bureau currently displays disciplinary actions, by year, on its Enforcement and Disciplinary Actions webpage

(<http://www.cfb.ca.gov/enforcement/index.shtml>). The Bureau will add a definition for "citation" under the Definition of Terms and include a link for Bureau Citations Issued by Year. Each year will include a comprehensive list of all administrative citations issued during that year. The license number will be hyperlinked to the licensee record and the citation would be available to view under the Public Record Action(s). Administrative citations will be posted after they become a final document and all appeals and/or timeframes for appeals have been exhausted.

#### **5. Discussion of Draft Updates to the Annual Funeral Preneed Trust Fund Report in Anticipation of Rulemaking File to Update Form**

Ms. Moore stated the Annual Funeral Preneed Trust Fund Report is a form that is in regulation and has not had any significant updates since 1994. In order to update the form, the Bureau must go through the official rulemaking process. The first step is to review the draft changes to the form. While there will be an official hearing for public comment during the rulemaking process, the Bureau likes to discuss potential changes with its stakeholders before moving forward. Ms. Moore asked David Edwards to discuss the draft changes.

Mr. Edwards stated funeral establishments licensed by the Bureau that accept funds for preneed contracts are required to trust those funds within 30 days to a trust and then on an annual basis report key financial information about those trusts to the Bureau. The intent in updating the form was to mirror other reports the Bureau receives for consistency and clarity. Mr. Edwards then explained the proposed changes to the form.

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

Ms. Moore stated the Bureau is in the process of conducting a fee study to evaluate its current fee structure and look at any changes that may be necessary. In order to do this the Bureau contracted with an outside vendor, Dan Edds from Capital Accounting Partners, LLC. The Bureau does not have a final report yet but Ms. Moore asked Mr. Edds to present the preliminary findings and discuss the methodology used in the study.

Mr. Edds introduced himself and gave some background on his work experience, including conducting fee studies for other boards and bureaus within the Department. 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 next step in the study is establishing the cost and then looking out 5 to 10 years to determine the 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.

## **7. 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.

Marjorie Bridges stated that people want to look at a website for a funeral home and see the prices for the services they offer. Ms. Bridges feels there is a significant number of websites that only list the services they provide without the prices. Ms. Bridges believes they should include the prices on the website.

Ms. Moore clarified that the law states a funeral establishment that maintains a website must do one of two things: they can post their general price list accessible by a link from the homepage that includes the word "price" or "price information," or they can list their goods and services accessible from the homepage that includes the word "goods," "services," merchandise," or "products." Funeral establishments are not required to post their prices if they have their goods and services listed on their website and a statement that the General Price List is available upon request.

## **8. Future Meeting Date (November 2016)**

Ms. Moore stated the Bureau will have its next meeting on November 29 or 30, 2016 depending on the availability of all Members.

## **9. Adjournment**

Ms. Moore thanked everyone for attending. The meeting was adjourned at approximately 4:05 p.m.