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INDEPENDENT REGULATORY REVIEW COMMISSION
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

June 20, 2007

Anthony Scarantino, Chairman
State Board of Funeral Directors
2601 North 3rd Street
Harrisburg, PA 17110

Re: Regulation #16A-4817 (IRRC #2605)
State Board of Funeral Directors
Renewal Fee

Dear Chairman Scarantino:

Enclosed are the Commission's comments for consideration when you prepare the final version of this regulation. These comments are not a formal approval or disapproval of the regulation. However, they specify the regulatory review criteria that have not been met.

The comments will be available on our website at www.irrc.state.pa.us. If you would like to discuss them, please contact me.

Sincerely,

Kim Kaufman
Executive Director

wbg

Enclosure

cc: Honorable Robert M. Tomlinson, Chairman, Senate Consumer Protection and Professional
Licensure Committee
Honorable Lisa M. Boscola, Minority Chairman, Senate Consumer Protection and
Professional Licensure Committee
Honorable P. Michael Sturla, Majority Chairman, House Professional Licensure Committee
Honorable William F. Adolph, Jr., Minority Chairman, House Professional Licensure
Committee
Honorable Pedro A. Cortes, Secretary, Department of State

Comments of the Independent Regulatory Review Commission

on

State Board of Funeral Directors Regulation #16A-4817 (IRRC #2605)

Renewal Fee

June 20, 2007

We submit for your consideration the following comments on the proposed rulemaking published in the April 21, 2007 *Pennsylvania Bulletin*. Our comments are based on criteria in Section 5.2 of the Regulatory Review Act (71 P.S. § 745.5b). Section 5.1(a) of the Regulatory Review Act (71 P.S. § 745.5a(a)) directs the State Board of Funeral Directors (Board) to respond to all comments received from us or any other source.

Section 13.12. Fees. – Fiscal impact; Reasonableness.

This proposed rulemaking increases the biennial renewal fee of the Board from \$185 to \$325. The fee increase will be effective for the renewal period beginning in February 2008.

The House Professional Licensure Committee (Committee) submitted comments questioning the need for the surplus amounts the fee increase would generate and if the fee increase would negate the need for further increases for a period of ten years. They also requested more information pertaining to the actual and projected expenses of the cost centers for the legal office and enforcement and investigation.

We share the concerns raised by the Committee. In particular, we question the reasonableness of a 75 % increase at this time. We note that the biennial renewal fee was increased by 40% only three years ago. The Board has provided data that shows that the proposed fee increase will allow them to operate with a surplus until the 2016-2017 fiscal year. However, the fiscal impact of fee increases of this magnitude within a three year period may impose an undue burden on the regulated community. We believe a smaller increase, for example 50%, would be less burdensome to the regulated community and would still allow the Board to operate with a surplus.

In addition, the information provided to justify the prior increase is different than the information provided to justify this proposed increase. Of particular concern are the expenses for fiscal years 03-04, 04-05, 05-06 and 06-07. According to the documentation provided, the actual expenses greatly exceed the projected expenses for these fiscal years.

Below is a summary of those expenses:

Projected Expenses FY 03-04	Projected Expenses FY 04-05	Projected Expenses FY 05-06	Projected Expenses FY 06-07
\$541,000	\$557,000	\$575,000	\$592,000
Actual Expenses FY 03-04	Actual Expenses FY 04-05	Actual Expenses FY 05-06	Actual Expenses FY 06-07
\$650,130.55	\$698,263.47	\$713,950.56	\$842,000

A continued escalation of expenses beyond those listed in this rulemaking would require an additional fee increase and would impose additional costs on the regulated community. What will the Board do to ensure that the expenses contained in this rulemaking are not exceeded?

Facsimile Cover Sheet

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INDEPENDENT REGULATORY REVIEW COMMISSION
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To: Tom Blackburn
 Cynthia Montgomery
Agency: Department of State
 Licensing Boards and Commissions
Phone: 3-7200 or 3-3394 (Cynthia)
Fax: 7-0251
Date: June 20, 2007
Pages: 4

Comments: We are submitting the Independent Regulatory Review Commission's comments on the State Board of Funeral Director's regulation #16A-4817 (IRRC #2605). Upon receipt, please sign below and return to me immediately at our fax number 783-2664. We have sent the original through interdepartmental mail. You should expect delivery in a few days. Thank you.

Accepted by:

Date:

6-20-07