

Received from David N. by email:

'Thank you for the opportunity to express my thoughts about the proposed rulemaking that would make dramatic changes to ORS 830-020-0040. Everyone's opinion matters, but I do believe that I have a unique perspective about how the funeral and cemetery industries, and the Oregon Mortuary and Cemetery Board have operated over the last five decades. So, I would ask you to consider giving my thoughts more of your attention than the myriads of licensees who have probably written to you to accuse you of being nothing but a lazy, greedy state worker. For the record, I'm not saying that.

I'm sure you don't know me, and you have probably never even heard of me, so I would like to introduce myself. I became a licensed funeral director and embalmer 50 years ago this month. Currently, I work at the funeral homes and cemeteries here in Central Oregon that are part of the Oregon Care Group, owned by Kevin Precht. (I want to make it clear that these are my own, personal thoughts about the proposed rule Changes and necessarily that Of my employer.) During my five decades of working in "death care", I have worked at 'Mom and Pop" funeral homes; for small groups of funeral homes that were privately owned; for large corporations like The Loewen Group and SCI, where at one time I was the Area Vice- President who oversaw over 50 funeral homes and cemeteries. For 16 years I managed River View Cemetery in Portland, which is Oregon's largest non-profit, endowment care cemetery and in 2004 I opened the funeral home that is on the cemetery grounds. As a hobby, on the side, I owned and operated two private cemeteries of my own in Lane County for over 10 years.

During the last 50 years, I served the industry in multiple capacities, serving on the boards of the Oregon Funeral Directors Association and the Cemetery Association of Oregon as well as serving for three years on the Oregon Mortuary and Cemetery Board. For nearly 40 years I served on the OFDA and CAO legislative committees and lobbied either for or against, every piece of significant legislation that came before the legislature that affected the death care industries. In the mid 1980's, I was one of the authors of the legislation that followed the debacle in Lincoln City Out of which the Oregon Board of Funeral Directors and Embalmers was expanded to include oversight of cemeteries and crematories. Although it was not popular with licensees at the time, my input helped expand the laws to include use of the metal II) tag; the lo-day body hold (now 20); and expanded definitions of "abuse of a corpse". Because of my knowledge of the laws governing our industry, it was common during much of my career for the staff at OMCB, as well as employees at DCBS to call and ask ME if I thought something a particular licensee was doing was legal or not. At one time, DCBS asked me to come and train their new employee about pre-need funeral and cemetery Gusts and endowment care funds. The confidence that these state agency workers had in my judgment should tell you something about my level of knowledge and also about my integrity. I've worked closely with every OMCB executive director since the 1970's, including your current director, Chad Dresselhaus, who I knew many years before he even Came to work at OMCB in the position you currently hold. The current OMCB board president, Rob Gaskill, worked for me as a funeral director at Lincoln Memorial Park Funeral Home in 1993. That's 33 years ago. So, all of that is the long way of saying that I have been around for a long time and I know a lot about the two industries you regulate.

As you might well imagine, I have a number of concerns about the proposed changes to OAR 830-020- 0040, as well as about some of the information contained in OMCB's "Agency Financial Sustainability Report". My concerns are listed on the following pages, in bullet format, in no particular order.

- The **amount** of the increases is my biggest concern, as it probably is for most licensees. But possibly unlike others, I did my homework. I called crematories and cemeteries all over the state and learned that the average increase in fees for a crematory will be between 375% and 425%. The average cemetery license fee

increase will be around 200% for very low volume cemeteries to over 300% for higher volume cemeteries. Yet funeral home establishment licenses and individual licenses (FSP, embalmer, etc.) are all "only" 180%, which is an egregiously high increase in and of itself. As a former OMCB board member who knows how state agency budgets work, it is simply inconceivable to me that an increase of this amount is needed for the coming biennium compared to the budget for the previous biennium. Do you even have accurate projections for how much these proposed increases will add to the OMCB operating budget? Well, I do! I did my homework, and I can tell you that the additional revenue that these increases will generate in the next biennium is just slightly under \$1.5 million (see footnote at the end of this memo). That's \$750,000.00 more revenue per year for OMCB to operate.

- **The inequity of how the increases are applied to licensees is another large concern.** Even if you could somehow justify increasing fees \$750,000.00 per year, the burden should be borne by licensees in an equitable manner and should consider how much actual work it is for the OMCB to oversee that type of license. Without question, the easiest license category for OMCB to regulate is a crematory. The manager is the only licensee (no ESP's, embalmers or apprentices). There are no at-need or pre-need contracts to review because crematories do not do business directly with the public. A crematory is just a piece of equipment in a room and almost without exception, it exists in conjunction with a funeral home or cemetery. The only paperwork to review is the required cremation log and then to make sure the crematory obtained the two required permits for each cremation (family and state). So why does the easiest license category get penalized with a 400%+ increase, while a funeral home with multiple people licensed; at-need and pre-need Contracts to review; price lists to review for FTC compliance; a prep room to check for cleanliness; and much more, gets a 180% increase? If there is a logical explanation for this, I would love to hear it.

- **The lack of justification for such a substantial increase** is very concerning. State agencies are supposed to be transparent, but there is no transparency in your 10-page report that purportedly gives legitimacy to these huge increases. You not only do not disclose who wrote the report, but more importantly, you fail to disclose any specific information about the amount of the shortfall for the current biennium or the amount that you anticipate the proposed fee increases will generate in the future. I can't answer the question of who wrote the report (it sounds like AI.), but I can answer the other two questions for you. The only specifics in the report (page 5) are those that admit that in 2022, OMCB was doing so well financially that they declined to take the income from the Indigent Disposition Program that they were legally allowed to take in exchange for overseeing that program, which is 5% of each \$16.00 fee, or \$0.80 per death. Now OMCB wants to go back and recover the funds they passed on. That's fine but based on the average annual death rate in Oregon, it's not hard to calculate that the amount you will receive for the period of January 1, 2022 and the end of the current biennium will be approximately \$187,000.00. (See footnote #2 at the end of my comments to see how I calculated that amount. I didn't just make up that figure!) In the Agency Financial Sustainability Report, it states that: "The recovery of these administrative fees is projected to provide sufficient funding to support the agency's remaining obligations during the 2025-27 biennium... ". What the report is saying, then, is that \$187,000.00 will cover the projected shortfall for the rest of the biennium, which is a little less than 10 months. That's \$18,700.00 per month. So, if your current shortfall is \$18,700.00 per month, how do you justify a fee increase that will add \$62,500.00 per month to your budget? (See footnote #3 for how the \$62,500.00 figure was calculated.) And don't forget, you will continue receiving the IDP funds going forward, which is approximately \$2,825.00 per month (see Letter to Aaron Cowell Re: Proposed Rulemaking to OAR 830-020-0040 Page Three footnote #3 for that figure, as well), so if your shortfall is \$18,700.00 per month and you're going to receive \$2,825.00 per month in IDP money, then the shortfall that you really need to cover with fee increases is \$15,875.00 per month. "But David, what about inflation?" you are probably asking. Okay, let's say

your budget needs to go up \$250,000.00 for the next biennium (I'm being very generous!). That's about \$10,400.00 per month. Add that to the \$15,875.00 per month shortfall just discussed, above, and you need \$26,275.00 per month more in licensing fees, yet you are asking for \$62,500.00 per month, which is 2.38 times more than your own report says you need! There is simply no justification for an increase of this size. The figures do not make the case for it and your report doesn't to make a case for it. So, what is the extra \$36,225.00 per month needed for?

- **The disingenuous nature of the Agency Financial Sustainability Report.** The report repeatedly references the fact that fees have not increased in 22 years and that during that period, costs have increased substantially. Although both of those facts are true, the report rather conveniently ignores the fact that state agencies operate on a legislature approved budget for every biennium. In other words, 22 years ago, OMCB's income was adequate to cover expenses. Ten years ago that was also true, and just two years ago, it was also true. The agency's budget for July 1, 2023, through June 30, 2025, was a balanced budget. Projected income was equal to projected expenses. So, the argument that "costs have gone up significantly since our last increase 22 years ago" is disingenuous because the only increase that matters is how much have costs gone up since the 2023-2025 biennium's budget. Even if that wasn't true, inflation in the last 22 years has been just slightly over 50%, so why does a crematory have to pay fees that are 400% higher to cover the 50% of inflation? There is another disingenuous reference in the "Notice of Proposed Rulemaking". It states, in the "Fiscal and Economic Impact" section that, "Consumers may see small increases in disposition and interment costs if the increased fees are passed along to consumers." Who else does OMCB think will pay the extra \$1.5 million every two years? It's naive to believe that funeral home and cemetery owners will lower profits by \$1.5 million and not pass the cost increases on to clients. Trust me, these fees WILL be passed on to the public and to imply that they won't is dishonest. You should not punish the public any more than you absolutely have to.

- **Poor management of the agency.** This part of my comments is difficult for me, because I have known the current OMCB executive director for many years and think highly of him as a person. But when I read the report, it has "poor management" written all over it. All of the "Corrective Actions" listed in the report are things that would have already been practiced by a good manager. There are so many questions: "Why was there no differentiation between OMCB's operating revenue, the IDP income and accounts receivable?", and "How could the IDP be properly managed if the OMCB manager didn't even know how much money it was bringing in?", and "Why does OMCB even have accounts receivable?" and "How could a problem that is purported to be this HUGE have gone unnoticed until all of a sudden we have a crisis requiring unprecedented fee increases?" All of the problems that we are being told now exist are problems that were preventable. Additionally, the OMCB office seems to be operating less efficiently and less effectively than it did under past executive directors. Staff responsiveness is slow; office hours are limited or by appointment only (news flash: Covid is over, and the office should be open); processing of licenses and apprenticeship applications sometimes takes months. A good manager makes sure that every aspect of their agency is running smoothly; that every employee of the agency is providing timely, accurate and professional service to the external customers (the public) and the internal customers (the licensees); and that the Board is receiving all of the information it needs to Operate effectively. I hate Saying this, but these things do not appear to be happening, so I believe it is time for new leadership of this important state agency.

- **Miscellaneous Concerns.** First I'm concerned about the impact on dozens of licensees who are semi-retired and who work on a part-time basis for the funeral homes in their home communities or providing vacation coverage for firms around Oregon. Full-time licensees almost always have their license paid by their employer, but that is not the case for most part-time licensees. Availability of experienced, quality licensees

is critical to our industry, yet these massive license fee increases may very well discourage some retirees from renewing their licenses. Perhaps "senior" licensees could have their license fees frozen at the amount they were when they retired. Second I'm concerned about the report's recommendation to increase "virtual inspections". Again, Covid-19 is over and it's time to get back in the office and back out in the field. Virtual inspections do not work. The inspector needs to physically see if the cemetery's grass is mowed and whether the funeral home's preparation room is sanitary, and whether a crematory's facilities are clean. Travel may not be fun, but it's very necessary. Third, the OMCB needs to carefully consider its level of staffing. In my 50 years as a licensee, board staffing has ballooned from one person to six, even though the number of funeral establishments and the number of licensed funeral directors, embalmers and apprentices has gone down. Yes, the board now oversees cemeteries and crematories — no small task, but there is not six times more work than there was prior to expanding the board's responsibilities. The report states (page one) that, "Some of the decisions required to restore financial stability are difficult — including.....reductions in staffing, " Yet there is no further reference to any reductions in staffing anywhere in the rest of the IO-page report. Are there really going to be staff reductions? If so, who and when? There are categories of staffing now that never even used to exist? Perhaps they don't need to exist, or perhaps there is a position that could be reduced to a half-time position.

The path forward. There are a number of things that need to happen, and the not the agency need to take the action to make them happen. Here are my recommendations: Withdraw the current "Notice of Proposed Rulemaking" and replace it with a new one that includes these critical changes: a) reduce the fee increases to half of what is currently being proposed (that is far more than adequate); b) change the proposed fee increases to make them equitable by license classification. Cemetery and crematory license fees should not go up any further on a percentage basis than those for a funeral home or an FSP or embalmer. e) create a new license category that freezes the license fees for retired FSP' s and/or embalmers. d) provide the date the increases begin. Require board staff to provide you with the amount of additional revenue that the increases will generate under lower, more equitable rates. That amount shouldn't exceed \$750,000.00/biennium. Identify the author of the Agency Financial Sustainability Report. Transparency is important. Revise the report to provide expanded, specific information about referenced staffing reductions. Give the executive director 45 days to provide the Board with a comprehensive, aged list of accounts receivable including the amounts Owed and what is being done to collect the funds. Investigate the apparent co-mingling of IDP funds and license fees and make sure the issue is resolved to your satisfaction. Proper oversight of the IDP depends on knowing the amount of income so that you know how much can be paid to licensees for each indigent they serve. Restore on-site inspections for funeral home, cemetery, and crematory establishments. The next time the Board is called On to do the annual review Of the Executive Director, you need to pass a vote of "No Confidence". The description of the problems this agency is facing, as described in the Financial Sustainability Report would not have happened under a qualified executive. The current executive is inarguably a good person, but not all good people are qualified to manage a multi-million-dollar agency with multiple employees. OMCB needs new leadership, and it is your job to make that happen. Don't let the public down, Or the licensees.

Footnotes

1. From page two (top)- Regarding the projected fee increase of \$1.5 Million per biennium. I spent two weeks calling cemeteries, crematories, and funeral establishments in Oregon to compile data. I obtained interment volumes, cremation volumes and staffing volumes. I called licensees in establishments large, mid-size and small, located everywhere from Central Oregon to the Portland area, to the mid-Willamette Valley to the Oregon Coast. The data came from over 20 funeral homes, 10 crematories and 11 cemeteries, including the

number of professional licenses that they pay for. The number of licensees represented almost exactly 5% of the licensees that are regulated by the OMCB. The fee increases for just that 5% came to over \$75,000.00. I feel quite confident that I polled a cross section of licensees, therefore, it would follow that the other 95% would experience similar increases, bringing the total amount of the estimated increases to \$1.5 million per biennium, or \$750,000.00 per year (\$62,500.00/month).

2. From page two (middle) — Regarding the projected amount of IDP income that OMCB will recover from the time period of January 1, 2022, through June 30, 2027. \$16.00 of the \$30.00 state filing fee is allocated to the IDP. Of that amount, OMCB is allowed to take 5% of each \$16.00 fee, or \$0.80 per death for overseeing the IDP. The average number of deaths in Oregon annually is 42,500. If you multiply 42,500 by 5.5 years, the number of deaths is 233,750. Then multiply that number by \$0.80 and you get \$187,000.00. There are 10 months remaining in this biennium and the report states that the IDP revenue, which would average \$18,700.00 per month, will make up for the shortfall. Other than inflation, that amount should be the amount of additional license fees needed.

3. From page two (bottom) and page three (top) — Regarding the monthly amount of IDP revenue that OMCB will receive in the coming biennium. As determined in footnote #2, OMCB will receive \$187,000.00 of IDP revenue over a 5.5-year period. Divide the \$187,000.00 by 66 months (5.5 years) and the monthly average IDP revenue is just slightly higher than \$2,825.00 per month. From that we can determine that if \$18,700.00 per month will cover the current shortfall and since the IDP revenue going forward will be \$2,825.00 per month, the monthly shortfall, other than adding an inflation factor, would be \$15,875.00. Add my recommended inflation factor of \$10,400.00 per month (\$250,000.00 for the biennium) from the current biennium to the next and you have the monthly amount needed to come from increased licensing fees: \$26,275.00. That is \$36,225.00 less than the \$62,500.00 requested in the proposed rulemaking notice.

Thank you for the opportunity to provide my input. As you can probably tell, I spent a very large amount of time investigating this situation and then compiling the information for you. To the Board I would say this: As a former OMCB board member, I know how you sometimes have to make difficult decisions, so I urge you to take the actions I have recommended. I feel strongly that they are necessary for the good of the agency, the good of the public (who will pay the fees!) and the good of the industry. Regards, David E. Noble Licensed Funeral Service Practitioner and Embalmer

Received from Wally O. by email:

Please find testimony attached which is the compilation of OFDA member input regarding the upcoming fee increase hearing. These remarks are the result of an appeal OFDA sent out to gather input and they are anonymous. Thank you, Wally Ordeman, ED, OFDA

Re: Proposed revisions to OAR 830-020-0040

Dear Aaron Cowell:

Please accept this letter of testimony regarding the proposed revisions to OAR 830-020-0040. The opinions, suggestions and recommendations in this testimony are the views of Oregon Funeral Director's Association (OFDA) members. Not surprisingly, the contributors to this compilation of remarks are overwhelmingly opposed to the severity of the increases and rationale explaining the OMCB's proposed changes. We have organized this testimony according to specific subjects within the proposal. It is long and at times repetitive.

But the sentiments expressed have merit and deserve careful deliberation. These have also been submitted anonymously and are not the endorsed comments of the OFDA Board of Directors.

Fee Increases

"An embalmer & fsp license fee will increase 360%. This seems to be a gross amount of an increase. 15% to 20% would seem acceptable for our industry."

"\$9 per disposition is an unacceptable increase plus requiring payment every 6 months instead of year end is excessive. Why would it be the facilities job to keep track of dispositions when the board already knows? Why would payment be due in 15 days? 30 days would be a normal time frame. That only sets up a facility for failure, penalties and fees. The board should also run all invoices for this through the portal."

"Having an open ended, charge whatever you want exam fee is just crazy. All exam fees must be fixed. This is why fewer and fewer people want to get into our industry. Excessive regulation and costs discourage young people from even considering it."

"The cemetery interment fee of \$9 should be paid every year, not twice per year. This creates a new administrative burden for the cemeteries."

"(2) Initial application fees:

(f) Intern Trainee (Apprentice) \$45, not subject to renewal - WHY IS THIS NOT SUBJECT TO RENEWAL (forgive my ignorance)?

(g) \$15270 - THIS MUST BE AN ERROR

(3) License renewal fees: IS THERE NO RENEWAL OPTION FOR A COMBO TRAINEE (FSP & Emb)?

"(8) I love that applicants would get a full two years for every license application or change using this method, BUT the way it is set up now, is what was decided a while ago (along with countless other regulatory/licensing boards) to simplify the renewal process *for the OMCB*... why the heck would they undo that?

My Oregon EMT License is renewed on a set odd/even biannual cycle, and new EMTs know that if they get their licence in between cycles, or if they apply for it prior to the new cycle, they are going to have to renew sooner than others who got into the cycle sooner. We all chalk it up to the nuances of professional licensing, and how the Bureaucrats run things in order to keep things 'simple'.

If they want to offer options for renewal cycles that give more benefit to the licensee, they could consider using the newly proposed semiannual periods as set renewal-cycle dates."

"Re: (4) (b) While I am so glad they joined the 21st century and got the FSP exam set up through Pearson, TO NOT HAVE A SET FEE FOR EMBALMING EXAMS IS UNPROFESSIONAL (and INSANE). The board ought to set a fee and reevaluate it annually to make sure they are charging enough. If it was a range before (\$130-400) set it at the high end and only adjust it if costs go up. Professional exams like this cost money because of what they entail (site fees, materials, proctors, etc). Everyone knows this. \$150 for the written (at minimum), \$350 for the Practical is NOT entirely unreasonable. Testing fees should be CONCRETE, not ambiguous. If it is known, it can be planned for! This planning ahead should be for the OMCB, Mt. Hood and Proctors *together*. Forecasting specialty testing needs for upcoming classes is foundational for maintaining our industry's workforce. Contract a rate for a set period of time. Funeral homes do this alllllll the time for municipal removal contacts, with annual review/renewal."

“Re: (7) (a) An immediate \$7 INCREASE (crematories and alternate disposition facilities) PER DISPOSITION is irritating and should also be increased incrementally, as I suggested above when discussing the overall need to increase costs drastically, but the payment schedule they propose IS ABSOLUTELY UNREASONABLE. THIS IS SO FUSSY and creates extra work for everyone but OMCB it would seem. If they want to charge per disposition every six months, THEY should invoice US. They already have our numbers. We should not be further burdened, every six months to tally, complete a report and then pay the fees WITHIN FIFTEEN DAYS (business or otherwise) after the end of each semiannual period. We don't need another reason for them to spend time (and money they apparently don't have) on time-consuming audits so that they can fine us if we get busy and can't meet the parameters of this proposal. It seems rather counter-intuitive.

IF they do insist on something like this, perhaps as a compromise, they could accomplish this by invoicing us through the portal (cut down on the costs of printing, postage, etc.) a semiannual period in arrears, once they have tallied our cases, with a 30-day payment period.”

“The fees seem excessive, considering the money gathered from the increases will probably be used to offset the IDP. My suggestion would be to add a fee similar to what Washington State (at least Clark County) has in place; the \$100 medical examiner fee. The benefit of doing this would be consumers knowing exactly what the money is being used for and perhaps leading to a change in the homeless situation around the area (people tend to act on issues that impact their pocket books). Additionally, this removes the burden of passing the expense on from the funeral home.”

“Without knowing how this budget crisis occurred, it is difficult to understand such large increases in fees. If fees have not changed since 2004, why did we not have a budget crisis in 2010, 2020, etc.? If the budget was balanced for the last 22 years based on current fees, what happened this year to cause a budget crisis such as it is? Without having any knowledge of what has happened, the near doubling of fees appears as a way to cover up a gross mismanagement of the budget.”

“I worry that smaller, independent funeral homes and cemeteries may not be able to absorb increases of this size. It makes me wonder why a more gradual approach, phased in over several years, wasn't considered.”

Customer Service

“The comments regarding the OMCB staff's lack of follow up is very relevant. I have found it to be true so many times with all of them.”

“I would recommend that we request that licenses (new/change/renew) be done within 14 business days. If the fees double across the board then the level of service should be improving.”

“Is the OMCB going to respond to the issue of sub-par customer service?”

“So, the OMCB's lack of planning is now our immediate financial emergency/burden? Touting that adjustments have not been made since 2004 is simply an acknowledgement of poor management. The fact that no increases have been made in that amount of time, so much so that significant increases are now 'required' only throws fuel on the fires of suspicion that the OMCB has been mis-managed for a long period of time, and it is now unstable. **Unfortunately, due to the lack of 'good will' (history of poor communication, lack of customer service, etc.) between the OMCB and the general population of Funeral Homes/Final Disposition Facilities/Cemeteries, an extreme hike in fees will NOT be well-received as it will feel unjustified from a cost/benefits viewpoint.** It would seem more reasonable for them to approach this the

way many local utility districts do, by an incremental increase over a set period of years/renewal cycles until the deficit has been balanced.

Obviously, they have to keep the lights on in the meantime, so a larger, first renewal cycle increase would be understandable...”

Received from Wally O. on behalf of OFDA by email:

Please see the attached testimony submitted on behalf of the Oregon Funeral Directors Association Board of Directors. Thank you, Wally Ordeman. Executive Director, OFDA



Oregon Funeral Directors Association

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Vice-President:
Jim Jackson

Secretary-Treasurer:
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Administration
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Joshua Voyles

Joey Coomer

EXECUTIVE DIRECTOR

Wally Ordeman

Aaron Cowell, Education and Compliance Program Manager
Oregon Mortuary & Cemetery Board (OMCB)
800 NE Oregon Street, Suite 430
Portland, OR 97232-2195

Re: Proposed revisions to OAR 830-020-0040

Dear Aaron Cowell:

On behalf of the Oregon Funeral Directors Association (OFDA) Board of Directors, please accept this testimony regarding the proposed revisions to OAR 830-020-0040, and the fee increases associated with those revisions.

While it is unfortunate that the OMCB is facing a budget shortfall, it is equally unfortunate that the cure being proposed is falling squarely on the shoulders of the licensees the Board is tasked with regulating. After asking the members of our association for input, the overwhelming sentiment was that the proposed increases are proportionally unfair and not commensurate with the level of service being provided currently by OMCB staff. The OFDA Board agrees with this response and hopes that the OMCB will make adjustments to the proposal to provide for a more equitable solution.

The OFDA Board also hopes that the OMCB will transparently and publicly provide the following:

1. A short and long range outline showing a clear path to future financial health.
2. A plan to assemble an advisory committee charged with addressing the customer service issues licensees are currently facing with OMCB staff such as unreturned phone and email messages, licensing delays, inspection report delays, etc.
3. A plan for implementing technology upgrades to function more efficiently.

To be clear, the members of OFDA are willing to pay their fair share of licensing fees. And periodic increases in those fees are expected. However, we feel that the proposed increases to license fees, and in particular the dramatic increase to the per disposition fee are unacceptable, as well as the proposed biannual reporting and payment of those disposition fees.

We are aware that the OMCB and staff serve and protect the public first. But the licensees who fund a large share of the OMCB budget deserve protection and service as well. We strongly urge the OMCB to make major revisions to this proposed plan and bring a more balanced and equitable approach to the table.

Sincerely,
The OFDA Board of Directors

12725 SW 66th Ave, Suite 103, Portland, Oregon 97223
503 420 1186

Received from Allison P. by email:

Hello, Aaron --

I am writing to share my thoughts on the proposed change in licensing fees.

Although I am employed by a large corporation, I am also an active member of the OFDA and as such I am dedicated to the successful continuation of the funeral industry in Oregon.

I am personally and especially very concerned about the smaller funeral businesses in rural parts of our state. The sudden and drastic increase in fees will be devastating to many of them, and I am worried they will not be able to absorb this financial burden.

The higher fees could have dire consequences for those businesses, which will in turn have a huge and negative impact on the communities those businesses serve.

We all die, Aaron. And when we do, we count on our funeral businesses to support and care for the families we leave behind — in addition to taking care of what's left of us.

The proposed fee increases hurt the very people we as a society count on in our darkest moments.

My counterproposal to the OMCB's is for a schedule of gradual increases, not an overnight ambush of 240%.

Thank you for considering my proposal, Aaron. Please reach out if you have questions for me.

My very best --

From: COWELL Aaron * OMCB <aaron.cowell@omcb.oregon.gov>

Sent: Monday, August 3, 2026 12:47

To: Picard, Allison

Subject: RE: A counterproposal

Good afternoon, Allison –

I've attached the Notice of Proposed Rulemaking recently published. The tracked-changes document can be hard to follow, but that is the output of the state's filing system. The proposed fee increases are 180%, not 240%. There is a hearing scheduled, which is listed in the Notice. I can also save your email to present to the Board as part of public comment.

Thank you.

Thank you, Aaron! Please do save my letter and present it to the Board.

I appreciate the correction in percentages. I also aver that a 180% increase is still a huge jump, and the impact of 180% does not register as less walloping than 240%.

A 120 pound person getting punched by a 180 pound person won't go down less hard or be less bloody than they would if they were punched by a 240 pound person.

The enormity of the scale of increase means that details like GIANT or GIANT-ER lose value for the person being punched. Either way it's just a massive blow. I have the next meeting on my calendar and look forward to meeting you!

Thank you again, Aaron.

AP

Received from Diana C. by email:

You don't often get email from dianacunningham62@gmail.com. [Learn why this is important](#)

Dear Aaron Cowell, manager

From: Dr. (Caroline) Diana Cunningham

Friends of Cathedral Trees Sanctuary Cemetery, Ashland OR

I would like to request that non-profit entities such as ours rely on fundraising for donors/purchasers of cemetery plots. As an IRS public service non-profit provider, we would like to request that non-profit organizations such as ourselves be exempt from the increased cost, with licensing fees remaining the same as what we are paying now. (Our non-profit receives monies that are then used by Cathedral Trees Sanctuary to provide burials at the time of need.)

Thank you for your consideration.

Received from Sandie F. by email:

Thank you. I wasn't sure if that was it or if it was just for the embalmers' renewals.

I appreciate your quick response. I'm working on budgets so want to be sure I have the correct information.

Enjoy the rest of your week.

Sandie Freshner

Sr. Compliance Specialist

503-341-3154

From: COWELL Aaron * OMCB <Aaron.Cowell@omcb.oregon.gov>

Sent: Wednesday, August 12, 2026 1:42 PM

To: Freshner, Sandie

Subject: RE: OMCB Proposed Rulemaking Announcement and Notice of Hearing

Hi, Look one line down, 288. The strike-through and underlining is the output of the state's filing system. It's not ideal. Aaron From: Freshner, Sandie Sent: Wednesday, August 12, 2026

Hi,

Look one line down, 288. The strike-through and underlining is the output of the state's filing system. It's not ideal.

Aaron

From: Freshner, Sandie

Sent: Wednesday, August 12, 2026 1:38 PM

To: COWELL Aaron * OMCB <Aaron.Cowell@omcb.oregon.gov>

Subject: RE: OMCB Proposed Rulemaking Announcement and Notice of Hearing

You don't often get email from [Learn why this is important](#)

Hello Mr. Cowell,

I noticed that there is no fee listed for the FSP license renewal. Is this an oversight or am I missing something?

~~(23) Renewal application License renewal fees:¶~~

~~(a) Funeral establishment or immediate disposition company - \$350 per year, payable biennially,1,260:¶~~

~~(b) Crematory or Alternative Disposition Facility - \$1200 per year plus \$2 per disposition performed during the two calendar years preceding the year in which the current license expires, payable biennially:¶~~

~~(c) Cemetery - \$4 per interment performed during the two calendar years preceding the year in which the current license expires up to a maximum of 150 interments or \$600 per year, payable biennially; ¶~~

~~(c) Cemetery - Cemeteries with ten or fewer interments annually are not required to pay a renewal fee in accordance with ORS 692.275:¶~~

~~(d) Funeral service practitioner - \$80 per year, payable biennially:¶~~ 

~~(e) Embalmer - \$80 per year, payable biennially,288:¶~~

Thank you,

Sandie Freshner

Sr. Compliance Specialist

Received from Scott W. by email:

Dear Mr. Cowell,

My name is Scott Whitaker and I am currently a licensed FSP/Embalmer here in the State of Oregon. I started my apprenticeship in 1978 and obtained my license when the OMCB was still the Oregon State Board of Funeral Directors and Embalmers in 1982. I worked in several funeral homes for 34 years and am currently a sales representative with the Dodge Company and sell embalming chemicals and funeral supplies. The company requires that I maintain a valid license. I also present an annual embalming seminar for the Funeral Service Education Department at Mt. Hood Community College and assist many of my customers with embalming difficult cases.

While I understand the need for an increase in the cost of the combination license, going from \$320.00 for two years to \$576.00 (assuming that is for two years also) amounts to an 80% increase in maintaining my license. That is quite the steep increase. I think that the board needs to reassess this increase and modify it to a reasonable amount.

Please feel free to contact me at any time if you have any questions.

Thank you for your time. Scott L. Whitaker

Received from Aaron A. via email:

To: Oregon Mortuary and Cemetery Board

Re: Opposition to Proposed Licensing Fee Increases

From: Aaron J. Adams, Location Manager, Deschutes Memorial Chapel, Gardens & Crematorium, an Oregon Care Group firm

Date: September 21, 2026

Testimony Regarding Proposed OMCB Licensing Fee Increases

Good morning, Chair, Members of the Oregon Mortuary and Cemetery Board, and Staff.

My name is **Aaron J. Adams**, and I am the location manager of Deschutes Memorial Chapel, Gardens & Crematorium, an **Oregon Care Group Firm**. Oregon Care Group operates **9 cemeteries, 10 crematories, and 21 funeral establishments** in Oregon. Collectively, we hold approximately **82 OMCB licenses**, including facility licenses and licenses for funeral service practitioners, embalmers, and apprentices.

According to OMCB's financial sustainability report, the Board regulates approximately **1,650 licenses statewide**. With approximately 82 licenses, Oregon Care Group represents roughly **5% of all death-care-related licenses regulated by OMCB**.

I am submitting this testimony in **opposition to the proposed licensing fee increases in their current form**.

We understand that the Board needs adequate resources to fulfill its regulatory responsibilities. We also understand that licensing fees have not been substantially increased for many years and that the cost of operating a state agency has increased.

Our concern is the **magnitude of these proposed increases, the substantial differences between license categories, and the lack of sufficient explanation regarding what has changed in the last 2 year budget cycle, not last 11 cycles over 22 years, to make increases of this size necessary**.

1. The financial impact on Oregon Care Group is substantial

Under the current fee structure, Oregon Care Group pays approximately:

\$42,620 every two years

Under the proposed fee structure, our licensing costs would increase to approximately:

\$118,172 every two years

That is an increase of:

\$75,552 every two years

or approximately **177.3%**.

In other words, our licensing costs would be approximately **2.77 times what we currently pay**.

Oregon Care Group biennial licensing costs

(Current versus proposed OMCB licensing costs.)

Fee Structure	Fees
Current	\$42,620
Proposed	\$118,172

(Figures provided by Oregon Care Group based on the proposed fee schedule.)

For Oregon Care Group, an additional **\$75,552 every two years** is a substantial operating expense.

And because Oregon Care Group represents approximately **5% of the licenses regulated by OMCB**, our experience provides a meaningful illustration of the potential impact of these increases throughout the industry.

Oregon Care Group is not an isolated example. The Board regulates a large number of facilities and individual licensees throughout Oregon. The statewide financial impact therefore deserves careful examination.

Based on our analysis of the proposed fee schedule, we estimate that the proposed increases could generate approximately **\$1.4–\$1.5 million in additional licensing revenue every two years statewide**, or approximately **\$700,000–\$750,000 per year**.

That raises an important question:

What specifically will OMCB do with approximately \$750,000 in additional revenue every year?

2. The increases are inconsistent among license categories

Another significant concern is the disparity between the proposed increases for different license categories.

Based on our analysis:

- Individual licenses and funeral establishment licenses increase approximately **180%**.
- Our cemetery licenses increase approximately **228%**.
- Our crematory licenses increase approximately **403%** on average.

- For crematories performing approximately 260 cremations per year or more, the increase can be **400% or greater**.

Approximate increase by license category

Percentage increases calculated by Oregon Care Group from the proposed OMCB fee schedule.

License Category	Increase
Individual / funeral establishment	180
Cemetery	228
Crematory	403

(Figures are Oregon Care Group calculations based on the proposed fee schedule.)

We believe the Board owes the public an explanation for this disparity.

Why should crematory licenses increase by more than 400% when funeral establishment licenses increase by approximately 180%?

What is the actual cost to OMCB of regulating each category?

We ask the Board to provide the cost and workload analysis used to establish each fee.

3. What has changed?

The Board has explained that fees have not been increased for approximately 22 years and that there has been substantial inflation during that period.

We understand that costs have increased.

But inflation alone does not explain increases of 180%, 228%, and more than 400%.

Oregon Care Group's analysis indicates that cumulative inflation over that period is approximately **50%**.

That leads to a straightforward question:

What has changed that requires fee increases several times greater than cumulative inflation?

If inflation is only one component of the calculation, the Board should identify the other components.

The public deserves to understand exactly what is driving these increases.

4. What will happen to the additional \$700,000–\$750,000 per year?

This is perhaps the most important question in this proposal.

Based on Oregon Care Group's analysis of the proposed fee schedule and the proportion of licenses we represent, we estimate that the proposed increases could generate approximately **\$1.5 million in additional licensing revenue every two years statewide**, or approximately:

\$750,000 MORE PER YEAR,

We recognize that this is **our estimate**, not an OMCB projection.

But even if the actual statewide figure differs, the basic question remains:

If the proposed fee increases generate approximately **\$1.4–\$1.5 million every two years**, that means approximately **\$700,000–\$750,000 in additional revenue every year**, we respectfully ask the Board:

What specifically will this additional money fund?

Will it fund additional personnel?

Technology?

Inspections?

Enforcement?

Administrative costs?

Reserves?

Something else?

The public deserves a detailed answer.

And we believe the Board should identify the actual cost associated with each of these needs before asking Oregon businesses to pay dramatically higher fees.

5. Why wasn't this need identified during previous budget cycles?

OMCB operates within Oregon's biennial budget process, and the agency's budget is reviewed through the state legislative process.

That raises another important question:

Why wasn't this financial need identified and addressed during previous budget cycles?

If the Board now requires approximately \$750,000 more per year to operate effectively, when was that need first identified?

What has changed since the last budget cycle?

When did the Board determine that its existing revenue would no longer be sufficient?

And why are regulated businesses being asked to make up the difference now through increases of 180% to more than 400%?

These are reasonable questions when the proposed increases are this substantial.

6. The actual shortfall needs to be clearly identified

The financial sustainability report indicates that OMCB can get through the remainder of the current biennium by collecting the portion of the **Indigent Disposition Program funds** that the Board was already entitled to retain but had previously chosen not to retain.

If those funds will continue to be available going forward, then we believe the public needs a clear explanation of:

- How much revenue those funds provide;
- How much of OMCB's operating expenses they cover;
- What the actual remaining shortfall is;
- When that shortfall will occur; and
- How much additional licensing revenue is actually necessary.

There is an important distinction between **needing additional revenue to maintain essential operations** and **wanting additional revenue to provide additional financial capacity**.

The public deserves to know which situation we are dealing with.

7. The proposed crematory increases are particularly difficult to understand

Of the major facility categories—funeral establishments, cemeteries, and crematories—the proposed treatment of crematories deserves particular attention.

A crematory generally has:

- One licensed manager;
- A relatively limited number of regulatory records;
- A crematory log;
- Cremation authorizations;
- State disposition permits; and
- A facility that is subject to inspection.

A funeral establishment, by comparison, may have:

- Multiple licensed practitioners;
- Apprentices;
- Trust-funded pre-need contracts;
- Insurance-funded pre-need contracts;
- At-need contracts;
- FTC compliance requirements;
- A much larger volume of records; and
- A larger facility and broader range of services to inspect.

Yet many crematories face increases exceeding **400%**, while funeral establishment licenses increase approximately **180%**.

Why?

What additional regulatory cost is associated with regulating a crematory that justifies an increase more than twice as large as the increase for a funeral establishment?

We believe the Board should provide the public with that calculation.

8. Consumers will ultimately bear some of these costs

The financial sustainability report minimizes the potential consumer impact by suggesting that consumers may see small increases if the increased fees are passed along.

We believe that assumption deserves greater scrutiny.

Licensing fees are an operating expense.

Businesses also pay for labor, insurance, utilities, equipment, maintenance, taxes, and many other regulatory and operating costs.

Those costs ultimately have to be reflected in the price of providing services.

The death-care industry is also different from many other industries because these expenses are incurred by families at a particularly difficult time.

Oregon families already pay the state filing fee associated with a death.

Adding hundreds of thousands of dollars in additional licensing costs throughout the industry will inevitably put additional pressure on the cost of funeral, cemetery, and cremation services.

9. This raises questions about stewardship of public money

I want to be careful to distinguish our concerns about the Board's financial management from criticism of individual employees.

Our concern is about **accountability and stewardship**.

The information contained in the financial sustainability report raises serious questions about whether **the public's trust and money have been managed as wisely and effectively as they should be**.

The report includes discussion of revenue tracking and the distinction between different sources of funds.

Before asking Oregon businesses to provide dramatically more money, the Board should be able to demonstrate that it has:

1. Accurately accounted for the money it currently receives;
2. Clearly identified its actual financial need;
3. Determined the regulatory cost associated with each license category;
4. Explained the significant differences in proposed increases;

5. Identified the actual projected shortfall; and
6. Established a transparent plan for the use of additional revenue.

This is not about asking OMCB to operate without adequate funding.

It is about asking the Board to **demonstrate the need and provide accountability for the additional money before imposing these increases.**

In conclusion, Oregon Care Group recognizes the importance of effective regulation and understands that the Board needs adequate resources to perform its responsibilities.

But increases of:

- **180%**
- **228%**
- **and more than 400%**

are substantial enough that they require a detailed explanation.

The fundamental questions are:

What has changed?

How much additional money does OMCB actually need?

Why are the increases so different among license categories?

And most importantly:

What specifically will OMCB do with approximately \$700,000–\$750,000 in additional revenue every year?

Until those questions are adequately answered, Oregon Care Group respectfully opposes the proposed fee increases **in their current form.**

We ask the Board to reconsider the magnitude and methodology of these increases, provide a detailed financial justification, and engage further with the regulated community before moving forward.

Thank you for your consideration.

Respectfully submitted,

Aaron J. Adams

Location Manager,

Deschute Memorial Chapel,

Gardens & Crematorium

An Oregon Care Group Firm

OREGON CARE GROUP

Testimony Regarding Proposed OMCB Licensing Fee Increases

CURRENT BIENNIAL FEES	PROPOSED BIENNIAL FEES	BIENNIAL INCREASE
\$42,620	\$118,172	\$75,552

Overall increase: approximately 177% | Proposed fees are approximately 2.77× current fees.

KEY QUESTIONS FOR THE BOARD

- **What specifically will the additional revenue fund?** Based on Oregon Care Group's analysis, the proposed fee schedule could represent approximately **\$1.5 million more every two years statewide**, or roughly **\$750,000 per year**, if the impact is extrapolated across the Board's license base.
- **What has changed?** The Board has explained that fees have not been substantially increased for approximately 22 years. Inflation alone does not explain proposed increases ranging from roughly 180% to more than 400%.
- **Why are increases so different by license category?** Oregon Care Group's analysis indicates approximately 180% for individual/funeral establishment licenses, 228% for cemeteries, and 403% for crematories.
- **Why was this need not identified in previous budget cycles?** What is the actual current and projected shortfall, and when was it first identified?

APPROXIMATE PROPOSED INCREASES BY CATEGORY

Individual / Funeral Establishment	~180%
Cemetery	~228%
Crematory	~403%

WHAT SPECIFICALLY WILL THE ADDITIONAL \$700,000–\$750,000 PER YEAR FUND?

Our position: Oregon Care Group supports adequate funding for effective regulation. We are asking the Board to demonstrate the need, explain the methodology behind each fee category, identify the actual financial shortfall, and clearly explain how additional revenue will be used before adopting these increases in their current form.

Oregon Care Group: 9 cemeteries • 10 crematories • 21 funeral establishments • approximately 82 OMCB licenses
Figures marked as estimates are Oregon Care Group calculations based on the proposed fee schedule; statewide revenue estimate is an extrapolation, not an OMCB projection.

EFFECT OF PROPOSED OMCB LICENSE FEE INCREASES ON OREGON CARE GROUP

Cemeteries	Interments			Current Fees			Proposed Fees			Total	Increase
	2024	2025	Total	Base	\$2.00/Int.	Total	Base	\$9.00/Int.	Total	Increase	%
Oaklawn Mem. Park, Corvallis	91	74	165	\$ 200.00 + \$	330.00 = \$	530.00	\$ 200.00 + \$	1,485.00 = \$	1,685.00	\$ 1,155.00	317.92%
Valley View M. P., Newberg	41	42	83	\$ 200.00 + \$	166.00 = \$	366.00	\$ 200.00 + \$	747.00 = \$	947.00	\$ 581.00	258.74%
Belle Passi Cem., Woodburn	8	9	17	\$ 200.00 + \$	34.00 = \$	234.00	\$ 200.00 + \$	153.00 = \$	353.00	\$ 119.00	150.85%
Chelan Abbey, Newport	16	8	24	\$ 200.00 + \$	48.00 = \$	248.00	\$ 200.00 + \$	216.00 = \$	416.00	\$ 168.00	167.74%
Pacific View Cem., Lincoln City	16	10	26	\$ 200.00 + \$	52.00 = \$	252.00	\$ 200.00 + \$	234.00 = \$	434.00	\$ 182.00	172.22%
Greenwood Cemetery, Bend	23	8	31	\$ 200.00 + \$	62.00 = \$	262.00	\$ 200.00 + \$	279.00 = \$	479.00	\$ 217.00	182.82%
Deschutes Memorial, Bend	61	58	119	\$ 200.00 + \$	238.00 = \$	438.00	\$ 200.00 + \$	1,071.00 = \$	1,271.00	\$ 833.00	290.18%
Tumalo Cemetery, Tumalo	10	5	15	\$ 200.00 + \$	30.00 = \$	230.00	\$ 200.00 + \$	135.00 = \$	335.00	\$ 105.00	145.65%
Terrebonne Cemetery	18	21	39	\$ 200.00 + \$	78.00 = \$	278.00	\$ 200.00 + \$	351.00 = \$	551.00	\$ 273.00	198.20%

Crematories	Cremations			Current Fees			Proposed Fees			Total	Increase
	2024	2025	Total	Base	\$2.00/Crem.	Total	Base	\$9.00/Crem.	Total	Increase	%
Linn-Benton Crem., Corvallis	620	714	1334	\$ 200.00 + \$	2,668.00 = \$	2,868.00	\$ 200.00 + \$	12,006.00 = \$	12,206.00	\$ 9,338.00	425.59%
Aasum Crematory, Albany	285	320	605	\$ 200.00 + \$	1,210.00 = \$	1,410.00	\$ 200.00 + \$	5,445.00 = \$	5,645.00	\$ 4,235.00	400.35%
Valley Crematory, Woodburn	397	400	797	\$ 200.00 + \$	1,594.00 = \$	1,794.00	\$ 200.00 + \$	7,173.00 = \$	7,373.00	\$ 5,579.00	410.98%
Sunset Crematory, Dallas	405	281	686	\$ 200.00 + \$	1,372.00 = \$	1,572.00	\$ 200.00 + \$	6,174.00 = \$	6,374.00	\$ 4,802.00	405.47%
Bateman Crematory, Newport	376	366	742	\$ 200.00 + \$	1,484.00 = \$	1,684.00	\$ 200.00 + \$	6,678.00 = \$	6,878.00	\$ 5,194.00	408.43%
Pacific View Crem., Linc. City	148	152	300	\$ 200.00 + \$	600.00 = \$	800.00	\$ 200.00 + \$	2,700.00 = \$	2,900.00	\$ 2,100.00	362.50%
High Desert Crematory, Bend	250	256	506	\$ 200.00 + \$	1,012.00 = \$	1,212.00	\$ 200.00 + \$	4,554.00 = \$	4,754.00	\$ 3,542.00	392.24%
Deschutes Crematory, Bend	560	637	1197	\$ 200.00 + \$	2,394.00 = \$	2,594.00	\$ 200.00 + \$	10,773.00 = \$	10,973.00	\$ 8,379.00	423.01%
Autumn Crematory, Bend	574	640	1214	\$ 200.00 + \$	2,428.00 = \$	2,628.00	\$ 200.00 + \$	10,926.00 = \$	11,126.00	\$ 8,498.00	423.36%
LaPine Crematory	156	184	340	\$ 200.00 + \$	680.00 = \$	880.00	\$ 200.00 + \$	3,060.00 = \$	3,260.00	\$ 2,380.00	370.45%

	Qty.	Lic. Fee	Total	Proposed	Total	Increase Amt.	%
Funeral Home Est.Licenses (2 Yr.)	21	\$ 700.00	\$ 14,700.00	\$ 1,260.00	\$ 26,460.00	\$ 11,760.00	180.00%
FSP Licensees (2 Yr.)	16	\$ 160.00	\$ 2,560.00	\$ 288.00	\$ 4,608.00	\$ 2,048.00	180.00%
FSP/Embalmer Licensees (2 Yr.)	14	\$ 320.00	\$ 4,480.00	\$ 576.00	\$ 8,064.00	\$ 3,584.00	180.00%
Licensed Apprentices (1 Yr.)	12	\$ 50.00	\$ 600.00	\$ 90.00	\$ 1,080.00	\$ 480.00	180.00%
Total Current Fees			\$ 42,620.00	Total Proposed Fees	\$ 118,172.00	\$ 75,552.00	277.27%

Highlighted Staff #'s Are Estimated

Received from Ryan C, by email:

Hi Aaron,

In relation to this proposed rulemaking, I am providing my written testimony here.

I have held an active license as a Combination Funeral Service Practitioner/ Embalmer with the Oregon Mortuary & Cemetery Board since 2011.

In the notice of Proposed Rulemaking you provided, under the section titled NEED FOR THE RULE(S), there appears to be a false or inaccurate statement. The statement in the notice reads: *The rule change addresses a structural deficit in funding for OMCB operations and regulatory oversight. OMCB has not increased fees since 2004.*

However, OMCB increase their death registration filing fee in 2021. That was after a Rules Advisory Committee was formed in 2020 to review all aspects of the Indigent Disposition Program from the ground up. For reference see [ORS 692.415](#) Report of death filing fee; use of funds; rules.

At that time OMCB increased the death registration filing fee from \$20 to \$30, a 50% increase. From the 50% overall increase in this fee the Board directly increased revenue of the IDP fund from \$6 to \$16 per Oregon death. This is a 166.67% revenue increase for the IDP fund. No portion of that increase was allocated to OMCB's general operating fund.

In the notice you provided, under the section FISCAL AND ECONOMIC IMPACT, a statement reads: *Business owners/operators in the Oregon death care industry will pay increased fees when applying for an initial license and at renewal periods.*

However, under the proposed rule changes all new individual applicants and all current Individual Licensees will also pay increased fees when applying for an initial license and at renewal periods.

Thank you,

Hi Aaron,

I would like to add that in the notice of Proposed Rulemaking you provided, under the section titled DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S), there appears to be a false or inaccurate statement. The statement in the notice reads: *A majority of Board members are small business owners in the death care industry.*

However, only 2 of the 11 OMCB Board member positions are held by small business owners in the death care industry.

Thank you,

Received from Cemetery Association of Oregon, by USPS.

OMCB

SEP 23 2026

Cemetery Association of Oregon

September 18, 2026

Aaron Cowell
Rules Coordinator
Education and Compliance Manager
Oregon Mortuary and Cemetery Board

RECEIVED

Re: Notice of Proposed Rulemaking Filed July 28, 2026 – Proposed Amendments to OAR 830-020-0040

Dear Mr. Cowell and the Oregon Mortuary and Cemetery Board:

On behalf of the Board of the Cemetery Association of Oregon ("CAO"), our more than 40 member cemeteries, and as a courtesy to cemeteries operating throughout the State of Oregon, we respectfully submit this letter regarding the Notice of Proposed Rulemaking filed July 28, 2026, concerning proposed changes to OAR 830-020-0040.

The CAO's mission is:

To provide, promote, and safeguard the highest standards in the industry and enhance the service provided to families and their loved ones, while working towards improving the operational and regulatory practices of Oregon cemeteries.

It is in furtherance of that mission, and with respect for the important regulatory responsibilities of the Oregon Mortuary and Cemetery Board ("OMCB" or "Board"), that the CAO submits these comments.

The CAO recognizes and appreciates that OMCB is attempting to address legitimate budgetary and financial sustainability concerns. We understand that maintaining a properly funded regulatory agency is necessary to support effective oversight, consumer protection, licensing, education, and compliance activities. We further recognize that some adjustment to existing fees may ultimately be necessary.

Nevertheless, based upon the information presently available, the CAO **cannot** support the proposed changes in their current form.

Significant Financial Impact on Oregon Cemeteries

Of primary concern is the substantial financial burden the proposed fee increases may place upon Oregon cemeteries.

The proposed changes appear capable of creating particularly significant hardship for smaller cemeteries and those serving comparatively fewer families each year. Unlike larger operations, many small, rural, community, religious, nonprofit, historic, and limited-volume cemeteries operate with modest revenue and limited administrative resources. A substantial increase in regulatory fees may therefore represent a disproportionately large operating expense.

For some cemeteries, such increases may not simply represent an inconvenient additional expense; they may materially affect the cemetery's ability to continue operating in compliance with all applicable licensing and registration requirements.

The CAO is concerned that such financial pressure could produce unintended consequences.

First, increased regulatory expenses will ultimately become part of the cost of cemetery operations. Those expenses may necessarily be reflected in the prices charged to families for interment, memorialization, and related cemetery services. The concern that increased licensing expenses will ultimately affect consumer costs has also been raised in comments submitted regarding this rulemaking.

Second, particularly for very small cemeteries, fees that become financially unsustainable may create an incentive for some operators to discontinue registration or licensing while nevertheless continuing cemetery operations. Such a result would be directly contrary to the interests of the Board, the cemetery profession, and the families the regulatory framework is designed to protect.

Third, the unnecessary burden to file twice a year for the disposition and interment reporting particularly for very small cemeteries, these administrative costs will add to the situation pointed out above.

The CAO believes that a regulatory fee structure should encourage compliance and participation in the regulated system rather than inadvertently create financial barriers that may discourage it.

Lack of Clarity Regarding the Proposed Fee Increases

The CAO is also concerned that the information presently available does not provide sufficient clarity regarding the scope, justification, and implementation of the proposed changes.

Among the issues requiring additional explanation are:

- The anticipated effective date and implementation timeline for any new fee structure;
- The specific financial need the proposed increases are intended to address;
- The methodology used to determine the amount of the proposed increases for each license or establishment classification;
- The basis for significantly different percentage increases among regulated categories;
- The amount of additional revenue OMCB anticipates generating under the proposed fee schedule; and
- The relationship between the anticipated new revenue and the Board's actual projected budgetary shortfall.

Before imposing substantial new expenses upon Oregon cemeteries and the families they serve, the CAO believes the regulated community should be provided with a clear and transparent accounting of the financial need being addressed, the revenue expected to be generated, and the methodology used to allocate that obligation among affected licensees.

Concern Regarding the Proposed Fee Schedule

The CAO further requests clarification and reconsideration regarding the proposal to move cemetery and other disposition-related establishment fees from an annual schedule to a biannual, or twice-a-year, fee structure.

The CAO believes the Board should clearly explain the policy and administrative reasons for this change and evaluate whether alternative payment structures could accomplish the Board's objectives without creating unnecessary hardship.

Potential alternatives could include maintaining annual payments, permitting installment arrangements, establishing graduated fee schedules based upon operational volume, or otherwise structuring fees in a manner proportionate to the size and financial capacity of the regulated cemetery.

Need for a Collaborative Review Process

Given the scope of the proposed changes and the potential consequences for cemeteries, regulated professionals, and Oregon families, the CAO respectfully believes additional review is warranted before the proposed amendments move forward.

Accordingly, the Cemetery Association of Oregon requests that the Board **table the proposed changes in their current form** and establish a representative committee or working group to further evaluate the matter.

The CAO recommends that such a group include representatives from:

- The Oregon Mortuary and Cemetery Board;
- OMCB staff;
- The Cemetery Association of Oregon;
- Other affected professional and industry organizations;
- Large and small cemetery operators;
- Funeral and cremation establishments where appropriate;
- Consumer or public representatives; and
- Other interested stakeholders affected by the proposed fee structure.

The purpose of this committee should be to review the Board's financial needs, evaluate the impact of proposed fees upon each regulated category, examine alternative funding and fee structures, and develop recommendations that provide OMCB with sustainable funding while remaining equitable and financially reasonable for regulated establishments.

Such a process would allow affected organizations and members of the public to participate meaningfully in developing a long-term solution rather than addressing a significant structural change through the present proposal alone.

Conclusion

The Cemetery Association of Oregon recognizes the challenges associated with maintaining a financially sustainable regulatory agency and appreciates the Board's responsibility to address those concerns.

Our objection is not to the principle that reasonable licensing or regulatory fee adjustments may occasionally be necessary. Rather, our concern is that the magnitude, structure, timing, and justification of the presently proposed changes have not been sufficiently developed or explained to warrant implementation in their current form.

The CAO respectfully asks the Board to:

1. Table the proposed fee changes contained in the current rulemaking;
2. Provide a more detailed accounting of the financial need supporting any proposed increase;
3. Explain the methodology used to establish fees among different regulated classifications;
4. Evaluate the financial impact upon small and low-volume cemeteries;
5. Reconsider the proposed biannual payment structure and evaluate less burdensome alternatives; and
6. Convene a representative stakeholder committee to develop a more equitable and sustainable proposal.

The CAO stands ready to participate constructively in that process.

We believe that meaningful collaboration among the Board, regulated organizations, cemetery operators, and the public will result in a regulatory framework that supports OMCB's financial stability while protecting Oregon cemeteries and, most importantly, the families and communities they serve.

Respectfully submitted,

Cemetery Association of Oregon