

The Case for Raising Renewal Fees for Veterinarians and CVTs

In order for the Idaho Board of Veterinary Medicine (the Board) to continue operating as an independent licensing entity, we must respectfully request an increase in license and certificate renewal fees. With the exception of a modest fee increase in 2012, the Board has managed to operate on very tight budgets with no fee increases since 1999. Unfortunately, increased costs of operation and personnel have surpassed the effect of the Board's frugal spending, and increasing renewal fees, a move that the Board does not take lightly, has become absolutely necessary.

How the BOVM is funded

The operation of the BOVM depends solely on dedicated funds generated through renewals, applications, and examination fees. Neither tax dollars nor other monies from Idaho's General Fund are used for the agency's operation – the BOVM is independent.

The Board's approved annual appropriation (the amount of funds approved by the legislature for conducting necessary business) in FY2015 was **\$271,600**. In FY 2016, the requested amount rose to **\$295,300** with the long-overdue addition of a part-time staff member (the Board's office now operates with 2.6 FT employees).

The Board currently regulates 1,194 active veterinarians and 275 active certified veterinary technicians (CVTs). The current annual renewal fee for a veterinarian is \$175, which generates \$208,950 per year, and \$75 for a CVT, which generates \$20,625 per year, for a total of **\$229,575**. Additional income comes from new license and CVT certificate fees (approximately \$20,000 and \$5,000 respectively) and a small amount from miscellaneous sources (approximately \$10,000 per year). Total funds generated per year is **\$264,575, approximately \$30,000 less than our current basic needs.**

The issues

Although some licensing agencies are able to offset increasing costs through a steady increase in the number of licensees, the BOVM's numbers have been relatively static; over the past ten (10) years, the total numbers of Idaho-licensed veterinarians and certified veterinary technicians (CVTs) have increased by only 32 practitioners and 72 technicians respectively. Over the years, licensee/certificant numbers have not grown quickly enough to absorb the costs of the Board's increased expenses and needs; the modest increases in 2012 did not make up for increased costs during the prior thirteen years.

To remain fiscally self-sufficient, the Board must set fees that are commensurate with program costs. If the Board cannot adequately fund itself, it could become part of the Idaho Bureau of Occupational Licensing (IBOL) as it was prior to becoming independent. The IBOL currently houses 30 other boards and commissions including athlete agents, barber examiners, contractors, cosmetologists, morticians, midwives, physical therapists, real estate appraisers, social workers,

wastewater professionals, chiropractors, denturists, podiatrists, acupuncturists, and shorthand reporters. It is likely that veterinary medicine, instead of remaining the single focus of an independent, dedicated agency headed by experienced veterinarians and a public member, would become one of many agencies subject to the policies of IBOL.

The Board's free fund balance has dropped to an unacceptably low level (~\$144,000) and will continue to drop unless additional funds are generated. The free fund for an agency the size of the BOVM should equal at least 1.5 times the annual budget, which in this case would be about \$450,000.

Software

The Board's current software was written in the year 2000 in a now archaic, non-web-based language (Visual Fox Pro). The software is obsolete and experiences frequent malfunctions. It cannot be upgraded as it is written in a programming language that is no longer supported by Microsoft, and, because it is not web-based, would never be able to provide the features requested by our licensees and certificants. Although the BOVM is contracted with the Idaho State Department of Agriculture (ISDA) for IT services, ISDA no longer provides software-writing assistance to the Board, nor can any other State entity provide this service. Every new and renewal application that the Board office receives must be processed by hand, which is both time-consuming and inefficient.

New software will allow the Board to provide web-based services to its licensees, which have been requested for several years. These enhancements would allow licensees to perform annual renewals online, maintain address records, check license status, and report continuing education credits from any computer with an internet connection. A new system will greatly increase the efficiency of the Board office.

Increases

To accomplish these goals, the Board is considering asking for increases in yearly renewal fees for veterinarians of **\$100** annually (from \$175 to \$275, which would require a veterinarian to pay an additional \$8.33 per month for a total of \$31.25 per month spread over a year.). This would generate an additional **\$119,400** annually. Initially, the Board also considered raising annual CVT certification fees \$25 (from \$75 to \$100) which would generate approximately \$6,875 per year. However, based on comments from CVTs and concerned veterinarians which we received earlier this year, the Board decided to forego this request and leave CVTs' annual renewal fees at \$75. The Board does not seek to increase fees for inactive veterinarians, many of whom are retired, which will remain at \$50 per year

If the \$100 increase in annual renewal fees for veterinarians is approved the increase will be used to:

- Compensate for increasing costs of operations, equipment and personnel.

- Purchase, install and maintain licensing and renewal software; initial costs are estimated at \$125K with annual maintenance costs estimated at \$5K.
- Develop and add web-based services for the convenience of our licensees and certificants.
- Retain the 0.6 FT position hired in 2016. The Board now has 2.6 FT staff positions.
- Update aging equipment.
- Build up an adequate free fund balance; at the moment the BOVM has very little in reserve for unexpected crises, unlike other medical licensing boards in Idaho.

Persons or interest groups potentially affected by rulemaking:

Veterinarians currently licensed by the Board of Veterinary Medicine will be affected by this rulemaking. This group only includes licensed veterinarians who are actively practicing.

Summary

In summary, renewal fees must be increased to provide for adequate personnel and operating expenses, enable the development of new licensing software, and rebuild the Board's critically diminished reserve fund. The need for this increase in the Board's income is crucial to its ability to continue its *independent* service to the people and animals of Idaho as well as our licensees and certificants.

Comments Welcome and Solicited

The Board seeks and welcomes your opinions and thoughts on this matter. Please send your comments by e-mail to **bovminfo@agri.idaho.gov** or by regular mail to **“BOVM, P.O. Box 7249, Boise, ID 83707”** for the Board's consideration. **More information regarding this topic has been posted on the Board's website under “Notice of Intent to Promulgate Rules”, Docket No. 46-0101-1602.**