

IDAHO BOARD OF VETERINARY MEDICINE

Questions & Answers: Proposed emergency legislation to temporarily raise annual renewal fees for veterinarians

Update: As of November 2016, the Idaho Veterinary Medical Association officially gave their support to the proposed legislation. Dr. Sherilynn Burkman, IVMA President, stated:

“While no one likes fee increases, the IVMA has carefully considered the BOVM's financial situation, and the IVMA Board supports the proposed increase. The Idaho BOVM relies exclusively on licensure fees to fund all legal and executive needs. Other states similar to Idaho in terms of size and number of members typically subsidize state board income with fees for facility inspections. The Idaho BOVM does not wish to start facility inspections, and therefore needs to increase li-censure fees to remain solvent. If no fee increase occurs, the BOVM will quickly become insolvent, be dissolved, and the regulatory needs of our profession will fall under the Idaho Bureau of Occupational Licensing. Considering the Occupational Licensing Bureau contains NO veterinarians to advocate for its members, and is not known to be responsive to veterinarians' needs, this would be a very unfortunate setback for veterinary medicine in Idaho. The proposed \$85 fee increase is the ABSOLUTE MINIMUM to keep the Idaho BOVM operating and advocating for our profession, and I encourage you to support the fee increase. If contacted by your legislator, please help convey this dilemma”

Q: What will be proposed during the 2017 legislative session?

A: During the January 2017 legislative session, the Idaho Board of Veterinary Medicine (BOVM) will ask Idaho legislators for permission to temporarily raise the annual license renewal fee for veterinarians by \$85 per year for the next three license renewal periods (2017, 2018 and 2019). This emergency measure will raise renewal fees for veterinarians from \$175 per year to \$260 per year for three years, after which the law will “sunset”. At that time, the renewal fees will revert back to \$175. However, it is likely the Board will need to seek a permanent raise in fees during the January 2020 legislative session, most likely for a lesser amount.

Q: Why is the temporary fee increase necessary?

A: Steadily increasing costs of conducting the agency's mission over the years finally caught up with and surpassed BOVM's careful budgeting policy. As the smallest of Idaho's medical boards, BOVM has successfully operated on a minimal budget for years. Aside from a \$50 increase in annual renewal fees for veterinarians in 2012, BOVM has not sought a fee increase since 1999. The \$50 fee increase implemented in 2012 was quickly absorbed and overwhelmed by unrelenting growth in costs of operation, equipment, personnel, general expenses, legal expenses and other interagency expenses. Over the last ten years, the number of licensed

veterinarians in the state has been static; there has only been a net gain of 32 licensees during that time. BOVM has thus not been able to rely on increasing numbers of licensees to offset rising expenses.

BOVM faces an increasingly challenging situation in keeping its aging database program functional. The software used to create the database in 2001 is outdated and no longer supported by its manufacturer. The database is frequently down for maintenance and repair, sometimes for hours and occasionally for days. Importantly, BOVM's software is not web-based. Licensees and members of the public must directly interact with a staff member, of which there are 2.6 FTE, for service that other state licensing boards routinely offer through web-based programs. BOVM staff currently must process all new and renewal applications and all license and certificate renewals by hand. Unfortunately, the age of the software will not allow conversion to a web-based program. The cost of replacing the software is estimated at \$125,000 since it must be written to be compatible with the Idaho State Department of Agriculture's system as well as meet rigid standards in place by the State Controller's Office. BOVM contracts with ISDA for IT, fiscal services, human resources services and office space at a greatly reduced cost, which keeps overhead as low as possible.

Q: Do nearby states have lower annual renewal fees than Idaho?

A: BOVM conducted a survey of the veterinary licensing boards in Arizona, California, Nevada, Oregon and Utah in July of 2016 to compare Idaho's services and fees with theirs. Although surveys were sent to Washington and Wyoming, we did not receive responses, possibly because their veterinary licensing board are not independent entities but part of general licensing bureaus.

The current annual license renewal fee for veterinarians in each state is as follows:

Arizona: \$200 **California:** \$160 **Idaho:** \$ 175 **Nevada:** \$200 **Oregon:** \$150 **Utah:** \$75

Of the six agencies that did respond (including Idaho):

- Two of the six states (California and Utah) are part of licensing bureaus similar to Idaho's Bureau of Occupational Licenses (IBOL); the other four agencies operate independently.
- Of all the respondents, Idaho is the only agency that does not offer web-based services to its licensees and the public.
- The Idaho BOVM generates less revenue than most of the other states with the exception of Utah's veterinary board. Utah, whose veterinary board is subsidized by the state's Division of Occupational and Professional Licensing, has significantly fewer practicing veterinarians.
- Idaho is the only state amongst the six that does not perform annual facility inspections, another significant source of revenue for veterinary licensing agencies. With the exception of Utah where technicians are not certified or regulated, the other states

regulate significantly more technicians than Idaho: Idaho regulates 260 technicians; Arizona-1,050; California – 8,102; Nevada – 638; and Oregon – 1,300.

- Other sources of revenue in the states surveyed are regulation of animal crematories (Arizona), Veterinary Assistant Controlled Substances Permits (California), and animal chiropractors, animal physical therapists, and Veterinary Technicians in Training (Nevada), none of which the Idaho BOVM licenses or regulates.
- Idaho has a significantly smaller annual budget than Nevada, the state which is closest to Idaho in number of veterinarians regulated. Idaho BOVM's annual budget is the smallest of all the states surveyed at approximately \$301,000; Nevada's annual budget is \$383,000. Idaho employs 2.6 fulltime employees; Nevada (whose operation is web-based) employs 2.0 FTE and is open only 4.5 days per week. This is possible because a great deal of the agency's tasks are automated.
- The number of veterinarians in the five states surveyed (excluding Idaho) has slowly grown over the last ten years; Idaho's number has been static.

BOVM is not asking for a raise in CVTs' annual renewal fees based on responses to a survey of Idaho veterinarians and CVTs conducted earlier in 2016.

Q: What might happen if annual renewal fees for veterinarians are not temporarily raised?

A: To remain fiscally self-sufficient, the BOVM must set fees that are commensurate with program costs. If the BOVM does not increase its revenue, it will be forced to begin deficit spending within the next two years. It is understandably difficult for an agency to recover financially once the cycle of deficit spending begins. If the Board cannot adequately fund itself, it will likely be absorbed into the Idaho Bureau of Occupational Licensing (IBOL), where its members would serve in an advisory capacity only. IBOL currently houses 30 other boards and commissions including athlete agents, barber examiners, contractors, cosmetologists, morticians, midwives, physical therapists, real estate appraisers, social workers, waste water professionals, chiropractors, denturists, podiatrists, acupuncturists, and shorthand reporters.

If BOVM loses its status as a self-governing, independent agency, the regulation of veterinary medicine in Idaho, instead of remaining the single focus of an independent, dedicated agency headed by experienced veterinarians and a public member, would become just one of many programs subject to the policies and procedures of IBOL. The Idaho Board of Veterinary Medicine's sole purpose is to protect the Idaho public and its animals through regulation of veterinary professionals in the state. The Board is composed of experienced licensed veterinarians and one public member, each appointed by the Governor. It is our belief that should the BOVM become a part of the Bureau of Occupational Licensing many of the benefits that are currently available to Idaho veterinary professionals and members of the public would suffer significantly.

Final remark:

If the proposed legislation is approved, the BOVM will be able, through careful budgeting, to slowly become solvent and replace its decrepit software, thus improving its efficiency and reducing costs. There is a \$63,600 discrepancy between the BOVM's current annual revenue (\$237,000) and estimated expenses for FY2017 (\$300,600). The additional \$85 per year in annual renewal fees for veterinarians will generate an additional \$93,500 per year for 2017, 2018 and 2019. This will allow the Board to pay all of its estimated expenses each year and "save" about \$30,000 per year towards purchasing software and rebuilding a financial cushion. This will obviously not be a quick fix – it will take years of prudent spending for the Board to stabilize.

The Idaho Board of Veterinary Medicine invites comments on this legislation from its licensees and certificants and from the public. Please contact the Executive Director directly by e-mail (Jodie.Ellis@agri.idaho.gov) or by phone (208-332-8588) to comment.

<p>Idaho Board of Veterinary Medicine 2230 Old Penitentiary Road P.O. Box 7249 Boise, ID 83707 Phone: (208) 332-8588 FAX: (208) 332-8645 E-mail: bovminfo@agri.idaho.gov Website: www.bovm.idaho.gov</p>
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