

**Agency Response to Economic Impact Analysis
Posted by the Department of Planning & Budget on January 21, 2010**

The Board of Veterinary Medicine does not concur with the analysis of the Department of Planning and Budget for the proposed amendments to 18VAC 150-20-10, Regulations Governing the Practice of Veterinary Medicine, to increase fees for the following reasons:

- 1) The Board takes issue with the assumption that there will be a decrease in the number of individuals licensed or registered. Historically, that has not been the case with fee increases for this and other boards.
 - The last fee increase for veterinary medicine was effective 1/15/03; there were 4,840 licensees in 2002 and 4,938 as of 2004, an increase rather than decrease in numbers. The current number is 5,670.
 - Veterinarians require four years of postgraduate doctoral work to receive their professional doctoral degree. The national average salary of a first year veterinarian is \$50,000 and the national average annual salary for a veterinarian is \$84,000. It is highly unlikely that even a trained veterinarian would abandon eight years of college and an annual salary of over \$50,000 because of an annual licensure renewal fee of \$175 and a one-time assessment of \$100. The annual renewal fee and assessment total only 0.3% of the average salary of a veterinarian.
 - Veterinary Technicians require an associate degree from an American Veterinary medical Association program in veterinary technology. The national average salary of a veterinary technician is \$37,000. It is highly unlikely in today's economy that a gainfully employed veterinary technician would abandon their profession because of renewal fee of \$50 and a one-time assessment of \$50. The annual renewal fee and assessment total only 0.3% of the average salary of a veterinary technician.
- 2) While the EIA is correct that VITA services have almost doubled over the last two years and are expected to increase on average \$500,000 per year, the agency does not anticipate that total VITA costs will more than double from the FY10 to FY14.
- 3) In particular, the Board does not agree that a biennial renewal could reduce costs.
 - The Board of Veterinary Medicine is staffed by one full-time operations manager and one part-time assistant; this two-person minimal staffing level is essential to perform the day-to-day functions of the Board and would not be affected by a biennial renewal. At least 65% of costs for operation of a board at the

Department is related to investigation and adjudication of disciplinary matters; none of those costs would be affected by a change in the renewal schedule.

- There would be no reduction in IT costs as stated in the EIA. The agency IT costs through VITA are not transaction-based, so accessing and filing a renewal on-line does not result in additional IT costs. The Department of Health Professions does not have a contract with VITA, so there are no “contractual obligations” as stated in the EIA.
- There would be little or no benefit from reduced paperwork, since 96% of this Board’s licensees renew electronically.
- With a biennial renewal, the Board would lose a renewal fee from a licensee who relocated out of state, retires or changes professions during the two-year period. The Board is likely to capture more renewal fees with annual renewals than biennial renewals.
- Records maintained for emergency contacts by the Department of Health (rabies outbreak, etc.) are typically updated at the time of renewal. Biennial renewal would make those records and licensee information maintained by the Board less accurate.

4) The Board is continuing to actively pursue expense reductions, but it is impossible to reduce expenses sufficiently to alleviate the accumulated shortfall. To the extent possible, the Board will likely use any savings realized to reduce the amount of the one-time assessment proposed in this action.