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↻ Designates that this item is a change item

**Agency Purpose**

The Board of Veterinary Medicine (Board) was created in 1893 under the authority of Minnesota Statutes, chapter 156. The Board is the licensing agency for practitioners of veterinary medicine in the state of Minnesota. The Board is to protect human and animal health and welfare through the regulation of veterinarians in Minnesota. Regulation is accomplished through licensure examination and renewal, registration of professional firms as well as the investigation of complaints regarding veterinary care and unlicensed practice.

The mission of the Board is:

- ◆ to promote the public’s interest in receiving quality veterinary care from competent veterinarians by ensuring that veterinarians’ qualifications meet the specifications established by the Board; and
- ◆ to protect the public by ensuring that all licensees provide competent veterinary care.

**Core Functions**

The Board accomplishes its mission by:

- ◆ setting and administering educational requirements and examination standards for licensure as a veterinarian;
- ◆ setting standards of practice and conduct for licensees and pursuing educational or disciplinary action with licensees to ensure standards are met;
- ◆ responding to public and agency inquiries, complaints and reports regarding licensure and conduct on applicants, licensees and unlicensed practitioners; and
- ◆ providing information and education about licensure requirements and standards of practice to the public and other interested parties.

**Operations**

The Board serves the consumers of veterinary services by licensing as veterinarians only those individuals the board has determined meet the educational, character and examination requirements they have established. The board also serves the public by investigation of complaints regarding veterinary care and, when necessary, initiating corrective or disciplinary action against licensees who fail to maintain professional standards. The board serves the veterinary community by verifying and approving applicant credentials for entrance into the North American Veterinary Licensing Examination and for licensure in Minnesota and verifies licensure status to other state and federal agencies and the public.

**Key Goals**

- ◆ Maintain excellence in veterinary regulation.
- ◆ Enhance and expand online services to licensees and the public.
- ◆ Prompt investigation of complaints and disciplinary matters.
- ◆ Continue outreach to the profession regarding regulatory changes and professional responsibilities.

**Key Measures**

- ◆ Currently the Board has 71% of its licensees using the online renewal service.
- ◆ 70% increase in the number of consumer complaints filed since 1998.
- ◆ 15% increase in total numbers of licensees since 1998.
- ◆ Public protection – the Board’s website offers several services to the public including viewing disciplinary orders, access to information on complaint process and obtaining forms and information regarding how to file a complaint, viewing disciplinary history of individual licensees.
- ◆ Online services – the Board offers license verification, address and contact information changes, license renewals and information for licensees and the public.

**At A Glance**

**Minnesota Licensed Veterinarians Statistics**

(As of June 30, 2008)

<b>Total Licensed:</b>	3,046
<b>New Licensees:</b>	161
<b>Total Complaints:</b>	80
<b>Total Resolved Complaints:</b>	56
<b>CE Courses Approved:</b>	54
<b>Online License Renewals:</b>	70.5%

**Staff:** 1.75 Full-time equivalent employees

- ◆ Public information – Board website, newsletters, presentations, public outreach, brochures, real people answering the phone during business hours.
- ◆ Licenses are issued within 24 hours of an applicant meeting all requirements.
- ◆ License verifications are issued to other licensing jurisdictions within 24 hours of receipt of request and meeting all requirements.

### **Budget**

Total direct and indirect expenditures for FY 2008-09 are estimated to be \$738,000, which includes 1.75 full time equivalent employees. Direct expenditures include salaries, rent and other operating expenditures. The Board receives a direct appropriation for these costs. Indirect expenditures include costs of services received by the Attorney General's Office, Health Professional Services Program, and the Administrative Services Unit. The Board is responsible for collecting sufficient revenue to cover both direct and indirect expenditures.

The Board is estimated to collect \$635,000 in FY 2008-09, which is deposited as non-dedicated revenue into the state government special revenue fund. Revenue is collected from fees charged to applicants, licensees, continuing education course approval, license verification and professional firms.

### **Contact**

Minnesota Board of Veterinary Medicine  
2829 University Avenue Southeast  
Suite 540  
Minneapolis, Minnesota 55414

The website at: <http://www.vetmed.state.mn.us/> gives visitors easy access to useful information about veterinary medicine. Types of information available through the website include: licensing and complaint information, Minnesota statutes and rules, disciplinary actions taken by the Board, public notices and forms.

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*Dollars in Thousands*

	Current		Governor Recomm.		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<b><u>Direct Appropriations by Fund</u></b>					
<b>State Government Spec Revenue</b>					
Current Appropriation	284	195	195	195	390
<b>Recommended</b>	<b>284</b>	<b>195</b>	<b>195</b>	<b>195</b>	<b>390</b>
Change		0	0	0	0
% Biennial Change from 2008-09					-18.6%
<b><u>Expenditures by Fund</u></b>					
<b>Carry Forward</b>					
State Government Spec Revenue	4	6	0	0	0
<b>Direct Appropriations</b>					
State Government Spec Revenue	185	294	195	195	390
<b>Open Appropriations</b>					
State Government Spec Revenue	8	10	10	10	20
<b>Total</b>	<b>197</b>	<b>310</b>	<b>205</b>	<b>205</b>	<b>410</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	143	146	147	150	297
Other Operating Expenses	54	164	58	55	113
<b>Total</b>	<b>197</b>	<b>310</b>	<b>205</b>	<b>205</b>	<b>410</b>
<b><u>Expenditures by Program</u></b>					
Veterinary Medicine, Board Of	197	310	205	205	410
<b>Total</b>	<b>197</b>	<b>310</b>	<b>205</b>	<b>205</b>	<b>410</b>
<b>Full-Time Equivalentents (FTE)</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	

*Dollars in Thousands*

	FY2009	Governor's Recomm.		Biennium
		FY2010	FY2011	2010-11
<b>Fund: STATE GOVERNMENT SPEC REVENUE</b>				
FY 2009 Appropriations	195	195	195	390
Subtotal - Forecast Base	195	195	195	390
Total Governor's Recommendations	195	195	195	390
<b>Fund: STATE GOVERNMENT SPEC REVENUE</b>				
Planned Open Spending	10	10	10	20
Total Governor's Recommendations	10	10	10	20
<b>Fund: STATE GOVERNMENT SPEC REVENUE</b>				
Planned Statutory Spending	6	0	0	0
Total Governor's Recommendations	6	0	0	0
<b><u>Revenue Change Items</u></b>				
<b>Fund: STATE GOVERNMENT SPEC REVENUE</b>				
Change Items				
Fee Increase	0	107	107	214

# Veterinary Medicine Board

Change Item: Fee Increase

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$0	\$0	\$0	\$0
Revenues	0	0	0	0
State Government Special Revenue Fund				
Expenditures	0	0	0	0
Revenues	107	107	107	107
Net Fiscal Impact	\$(107)	\$(107)	\$(107)	\$(107)

## Recommendation

The Governor recommends that the Board of Veterinary Medicine fees be increased in the amounts of \$107,000 in FY 2010 and \$107,000 in FY 2011. This change will allow the Board to recover costs to fulfill its mission to protect the health and safety of the public and the animals that they own.

## Background

The Board of Veterinary Medicine, like the other health related licensing boards, is a fee-supported agency that receives no general fund dollars. While the legislature approves the Board's appropriation levels, fees are assessed to the licensees of the agency cover all of the agency's direct and indirect expenditures. A fee increase is necessary to replenish an existing negative fund balance created in part by the Board's allocated portion of the FY 2004 legislative transfer of \$3.5 million from the state government special revenue fund to the general fund, \$57,000; the Board's allocated portion of the FY 2009 transfer of \$3.219 million to the general fund, \$55,000; and by the costs of contested cases and litigation.

Initial licensure, license renewal, licensure application and state examination fees charged by the Minnesota Board of Veterinary Medicine have not been changed since 1997. The Board of Veterinary Medicine has exhibited sound financial practices and fiscal prudence to fund ever increasing expenses with the same fee structure for six biennia. The fee increase is necessary to replenish an existing negative fund balance so that the agency recovers its costs, as required by M.S. 214.055 and 16A.1285, subd. 2, while maintaining its base budget.

## Relationship to Base Budget

The Board of Veterinary Medicine is a fee-based agency and must collect licensing fees from veterinarians and veterinary professional firms that are sufficient to cover all expenditures. The board receives no general fund dollars to operate. All fees collected by the board must cover the costs of operation including the cost of the Administrative Services Unit, the Attorney General's Office and the Health Professional Services Program. The last time that the board increased fees was in 1997.

The table listed below identifies:

- ◆ A list of all fees that will be changing
- ◆ The current amount of all fees that will be changing
- ◆ The current anticipated revenue collected each fiscal year
- ◆ The proposed % of the fee change
- ◆ The proposed amount of each fee
- ◆ The total anticipated to pay under the proposed changes
- ◆ The new proposed anticipated revenue
- ◆ The difference in revenue

# Veterinary Medicine Board

Change Item: Fee Increase

All fees move from MN Rule 9100 to MN. Stat. § 156 as required by MN. Stat. § 16A.1283.

## Current Fee Information

## Proposed New Fee Information

Fee Name	Current Fee Amount	Current FY 2008-09 Anticipated Revenue Budget Each Year	Proposed % of the Fee Change - Increase	Proposed New Fee Amount	Number Paying Under New Proposals	Proposed FY 2008-09 Anticipated Revenue Budget Each Year	Difference in Revenue Anticipated to be Collected
Veterinarian initial license fee	\$200	\$29,000	40%	\$280	145	\$40,600	\$11,600
Veterinarian active license renewal	\$200	\$214,000	40%	\$280	1,070	\$299,600	\$85,600
Inactive license renewal fee	\$100	\$33,000	40%	\$140	330	\$35,000	\$2,000
Late fee - active	\$100	\$4,500	40%	\$140	40	\$5,600	\$1,600
Late fee - inactive	\$50	\$1,750	40%	\$70	35	\$2,450	\$700
State exam fee	\$50	\$8,250	20%	\$60	165	\$9,900	\$1,650
Application fee	\$50	\$8,750	20%	\$60	175	\$10,500	\$1,750
Temp. Lic	\$50	\$2,000	20%	\$60	40	\$2,400	\$400
Dup. Lic.	\$10	\$100	50%	\$15	10	\$150	\$50
Total		\$298,750				\$406,200	\$107,450

## Key Goals and Measures

The mission of the Minnesota Board of Veterinary Medicine is:

- ◆ To promote the public's interest in receiving quality veterinary care from competent veterinarians by ensuring that veterinarians' qualifications meet the specifications established by the board; and
- ◆ To protect the public by ensuring that all licensees provide competent veterinary care.

Providing the requested increase in fees will allow the Board to perform its functions of licensing veterinarians and disciplining licensees whose behavior is a violation of the law and is a risk to the public and the animals that they own. The Board has seen a steady increase in its total number of licensees and a significant increase in the number of complaints received.

Key measures include: eliminating current agency negative fund balance; maintaining a revenue neutral fund balance in the future; length of time to investigate and resolve complaints; and length of time to process licensure applications.

In addition to the above key goals, adjustment of fees collected by the Minnesota Board of Veterinary Medicine in the budget process will move fees from Minn. Rule 9100 to statute as required by M.S. 16A.1283.

## Alternatives Considered

No other alternatives have been considered. M.S. 214.055 and 16A.1285, subd. 2, require that fee structures fully recover agency expenses.

**Statutory Change:** M.S. Chapter 156

VETERINARY MEDICINE BOARD

Agency Revenue Summary

*Dollars in Thousands*

	Actual FY2008	Budgeted FY2009	Governor's Recomm. FY2010   FY2011		Biennium 2010-11
<b><u>Non Dedicated Revenue:</u></b>					
<b>Departmental Earnings:</b>					
State Government Spec Revenue	320	326	433	433	866
<b>Total Non-Dedicated Receipts</b>	<b>320</b>	<b>326</b>	<b>433</b>	<b>433</b>	<b>866</b>
<b><u>Dedicated Receipts:</u></b>					
<b>Total Dedicated Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Agency Total Revenue</b>	<b>320</b>	<b>326</b>	<b>433</b>	<b>433</b>	<b>866</b>