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<b>Regulation</b>		This space for use by IRRC MAY 2 11 2:03 REGULATORY REVIEW COMMISSION IRRC Number: 2112	
(1) Agency  <b>Department of State, Bureau of Professional and Occupational Affairs, State Board of Veterinary Medicine</b>			
(2) I.D. Number (Governor's Office Use)  <b>16A-579</b>			
(3) Short Title  <b>Biennial Renewal Fees</b>			
(4) PA Code Cite  <b>49 Pa. Code §31.41</b>		(5) Agency Contacts & Telephone Numbers  <b>Primary Contact: Teresa Lazo-Miller, Counsel          State Board of Veterinary Medicine (717) 783-7200          Secondary Contact: Joyce McKeever          Deputy Chief Counsel (717) 783-7200</b>	
(6) Type of Rulemaking (check one)  <input checked="" type="checkbox"/> Proposed Rulemaking <input type="checkbox"/> Final Order Adopting Regulation <input type="checkbox"/> Final Order, Proposed Rulemaking <input type="checkbox"/> Omitted		(7) Is a 120-Day Emergency Certification Attached?  <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes: By the Attorney General <input type="checkbox"/> Yes: By the Governor	
(8) Briefly explain the regulation in clear and nontechnical language.  <b>The regulation adjusts the biennial renewal fees for veterinarians and animal health technicians to reflect actual Board costs of providing services under the Act.</b>			
(9) State the statutory authority for the regulation and any relevant state or federal court decisions.  <b>Section 13 of the Veterinary Medicine Practice Act, Act of December 27, 1974, as amended, 63 P.S. §485.13.</b>			

**REGULATORY ANALYSIS FORM**

(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

**Yes. Sections 13(a) and (b) of the Veterinary Medicine Practice Act, 63 P.S. §485.13(a), (b), require that Board fees be fixed by regulation and that fees be increased if not sufficient to meet expenditures.**

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

**The new fees allow the Board to comply with the legislative mandate of its enabling statute that the Board sustain its operating and enforcement costs through fees imposed on its licensees.**

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

**Non-regulation of veterinarians and animal health technicians increases the risk of substandard veterinary care, which may adversely affect public health and the provision of effective and humane medical services to animals.**

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

**The general public and regulated practitioners will benefit from fee increases which assure that the Board will have sufficient revenue to carry out its operating and enforcement activities and ensure the Commonwealth will have an adequate supply of competent practitioners.**

(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

**On a biennial basis approximately 3,249 veterinarians and 753 veterinarian technicians who apply for biennial renewal will pay an additional \$120.00 and \$30.00 respectively. This represents a biennial cost to the regulated community of \$398,880.00 for veterinarians and \$22,590.00 for veterinarian technicians.**

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

**Approximately 3,249 veterinarians and 753 veterinarian technicians apply for licenses biennially.**

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

**In developing and drafting the regulation, the Board considered the fees as both required by law and the least restrictive means of covering the costs of services required to be performed by the Board.**

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

**No legal, accounting or consulting costs are anticipated as a result of the regulation. Biennial renewal fees will total \$389,880.00 for veterinarians and \$22,590.00 for veterinarian technicians.**

(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

**Local governments would not be affected by this regulation.**

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

**Because the Board must charge fees which reflect its actual costs in providing services to licensees and applicants, implementing the regulation will produce no identifiable costs or savings to state government.**

**Regulatory Savings Form**

(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY	FY +1	FY +2	FY +3	FY +4	FY +5
<b>SAVINGS:</b>	\$	\$	\$	\$	\$	\$
Regulated						
Local Government						
State Government						
<b>Total Savings</b>						
<b>COSTS:</b>	0	412,420	0	412,420	0	412,420
Regulated						
Local Government						
State Government						
<b>Total Costs</b>						
<b>REVENUE LOSSES:</b>						
Regulated						
Local Government						
State Government						
<b>Total Revenue Losses</b>						

(20a) Explain how the cost estimates listed above were derived.

Cost estimates to the regulated community were derived by multiplying the proposed fee increase by the number of licensees. The biennial renewal fee was not paid in the current fiscal year, and therefore the estimates for +2 and +4 years are zero.

**Regulatory Analysis Board**

(20b) Provide the past three year expenditure history for programs affected by the regulation.

	FY96-97	FY97-98	FY98-99	FY99-00
Program	FY -3	FY -2	FY -1	Current FY
State Board of Veterinary Medicine	\$182,445.32	\$221,044.29	\$261,139.28	\$259,000.00

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

**The regulation provides for the licensure population to pay for the costs of Board administration in biennial fees which, by law, must meet or exceed expenditures.**

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

**No non-regulatory approaches were considered as Section 13(b) of the Veterinary Medicine Practice Act, 63 P.S. §485.13(b), requires a regulatory approach.**

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

**See paragraph 22 above.**

**(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.**

**There are no federal standards which apply.**

**(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?**

**Biennial Renewal Fees**

	<b>West Virginia</b>	<b>New Jersey</b>	<b>Ohio</b>
<b>Veterinarian</b>	<b>\$250.00</b>	<b>\$250.00</b>	<b>\$125.00 - \$450.00 (by date activated)</b>
<b>Technician:</b>	<b>\$25.00-30.00</b>	<b>not licensed</b>	<b>\$35.00 - \$60.00</b>

**The fees are comparable to those in surrounding states which require the State Board to be self-supporting. The proposed fees should cause no competitive disadvantage.**

**(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.**

**The regulation changes Section 31.41, Schedule of fees, 49 Pa. Code §31.41, in existing regulations.**

**(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.**

**No.**

**Regulatory Analysis Form**

(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

**No.**

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

**No special provisions have been developed or anticipated.**

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

**The regulation will be effective on publication of the final form regulation in the Pennsylvania Bulletin.**

(31) Provide the schedule for continual review of the regulation.

**As part of its annual review process pursuant to Executive Order 1996-1, the Board will review the effectiveness of this regulation.**



## FEE REPORT FORM

Agency: State - BPOA

Date: 09/03/99

Contact: David Williams

Phone No. 783-7194

### Fee Title, Rate and Estimated Collections:

Biennial Renewal Fee:

Veterinarian = \$225.00

Veterinarian Technician = \$60.00

Estimated Biennial Revenue: \$776,205.00

(3,249 Veterinarians x \$225.00 and 753 Veterinarian Technicians x \$60.00)

### Fee Description:

The appropriate fee will be charged biennially to every applicant for license renewal.

### Fee Objective:

The fee should defray a substantial portion of the State Board of Veterinary Medicine's administrative overhead, specifically the difference between the Board's total biennial expenditures and its total biennial revenues from non-renewal sources.

### Fee-Related Activities and Costs:

Deficit carried forward from 97/99 cycle: (81,541.82)

**FOR BIENNIAL CYCLE 7/1/99-6/30/01**

Estimated non-renewal revenue: 40,000.00

Estimated renewal revenue @ above rates: 776,205.00

Total revenue available: 734,663.18

Estimated expenditures: 560,139.28

Estimated ending balance on 6/30/01: **174,523.90**

### Analysis, Comment, and Recommendation:

It is recommended that fees as noted be established to cover the difference between the Board's total biennial expenditures and its total biennial revenues from non-renewal sources.

FACE SHEET  
FOR FILING DOCUMENTS  
WITH THE LEGISLATIVE REFERENCE BUREAU

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2000 MAY -2 PM 2:05

LEGISLATIVE REFERENCE BUREAU  
REVIEW COMMISSION

(Pursuant to Commonwealth Documents Law)

DO NOT WRITE IN THIS SPACE

Copy below is hereby approved as to  
form and legality. Attorney General

2002  
Copy below is hereby certified to be a true and correct  
copy of a document issued, prescribed or promulgated by:

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to form and legality.  
Executive or Independent  
Agencies.

*[Signature]*  
BY: \_\_\_\_\_  
(DEPUTY ATTORNEY GENERAL)

STATE BOARD OF VETERINARY MEDICINE  
(AGENCY)

BY: *[Signature]*  
\_\_\_\_\_

DOCUMENT/FISCAL NOTE NO. 16A-579

MAR 30 2000  
DATE OF APPROVAL

DATE OF ADOPTION: \_\_\_\_\_

3/27/00  
DATE OF APPROVAL

BY: *[Signature]*  
BRIAN V. HARPSTER, V.M.D.

(Deputy General Counsel  
(Chief-Counsel,  
Independent Agency  
(Strike inapplicable  
title)

TITLE: CHAIRMAN  
(EXECUTIVE OFFICER, CHAIRMAN OR SECRETARY)

[ ] Check if applicable  
Copy not approved.  
Objections attached.

[ ] Check if  
applicable. No Attorney  
General approval or  
objection within 30 day  
after submission.

NOTICE OF PROPOSED RULEMAKING  
COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
STATE BOARD OF VETERINARY MEDICINE  
49 PA. CODE, CHAPTER 31  
BIENNIAL RENEWAL FEES

The State Board of Veterinary Medicine (Board) proposes to amend 49 Pa. Code §31.41 (relating to fees) as set forth in Annex A. The proposed regulation would increase the biennial license renewal fee for veterinarians from \$105.00 to \$225.00 and for animal health technicians from \$30.00 to \$60.00.

### **Effective Date**

The new fees would be effective on final publication in the Pennsylvania Bulletin and will apply to the biennial renewal period commencing December 1, 2000.

### **Statutory Authority**

Section 13(a) of the Veterinary Medicine Practice Act (Act), Act of December 27, 1974, P.L. 995, as amended, 63 P.S. §485.13(a), requires the Board to fix the fees required for renewal of licenses and certificates by regulation. In addition, section 13(b) of the Act, 63 P.S. §485.13(b), requires the Board to increase fees by regulation to meet or exceed projected expenditures if the revenues raised by fees, fines and civil penalties are not sufficient to meet expenditures.

### **Background and Need for Amendment**

The Board's current biennial license renewal fees were established by regulation in 1995. The Board is required by law to support its operations from revenue it generates from fees, fines and civil penalties. The Veterinary Medicine Practice Act mandates that the Board protect the public by adopting rules and regulations that govern the practice of veterinary medicine and administer and enforce the laws, rules and regulations that relate to the practice of veterinary medicine. In addition, the Board is generally mandated to promote public health, safety and welfare, which is accomplished through Board initiatives and coordination with other agencies and departments in the Commonwealth. The proposed fees are comparable to the renewal fees charged in surrounding states and should cause no competitive disadvantage to the Commonwealth.

The Board raises virtually all its revenue through fees. The biennial license renewal fee is the most substantial revenue generating fee of the fees charged by the Board. If the Board anticipates that its revenue will not meet its expenditures, the Board must increase its revenue.

At its July 15, 1999 Board meeting, the Offices of Revenue and Budget presented a summary of the Board's revenues and expenses for fiscal years 1997-1998 and 1998-1999. The summary,

presented in table format below, demonstrated that the Board must raise fees to meet or exceed projected expenditures to comply with section 13(b) of the Act, 63 P.S. §485.13(b).

1997 beginning balance	(245.09)
FY97-98 revenue	22,392.00
FY97-98 expenses	179,789.44
1998 beginning balance	(157,642.53)
FY98-99 revenue	363,112.00
FY98-99 expenses	287,011.29
1999 beginning balance	(81,541.82)

As the foregoing indicates, at the close of FY 1998-1999, the Board's expenses exceeded its revenues by \$81,541.82. The Budget Office estimates that in 1999-2000 Fiscal Year (FY), the deficit will increase to \$341,681.10 if fees are not increased. The Budget Office anticipates that the proposed new fees will enable the Board to recapture the current deficit and meet its estimated expenditures for the 2000-2002 biennial cycle.

The increases in the Board's biennial expenses occurred primarily in law enforcement costs and legal office costs. Law enforcement (the Bureau of Enforcement and Investigation) saw an increase from 898.75 hours expended in FY 1994-1995 to 1,184.8 hours expended in FY 1998-1999. Corresponding to this increase, law enforcement expenditures increased from approximately \$70,000.00 in FY 1994-1995 to just over \$95,000.00 in FY 1997-1998.

The legal office (division of the Bureau of Professional and Occupational Affairs) spent 1,485.9 hours in FY 1997-1998 on matters related to the Veterinary Board. No figure was available for FY 1994-1995. Legal office expenditures increased from approximately \$37,000.00 in FY 1994-1995 to just under \$61,000.00 in FY 1997-1998.

The legal office saw an increase in both number and complexity of cases closed in calendar years 1996 through 1998. In 1996, the Board issued four adjudications relating to continuing education violations and one in a reciprocal disciplinary action. In 1997, the Board issued one adjudication in a reciprocal disciplinary action and issued two orders in a complicated malpractice case. In 1998, the Board issued one adjudication involving a civil prosecution and two involving unlicensed practice. In 1998, the Board issued six adjudications: one for performing surgery without a license, two for dispensing medication without a license, one for practicing on a lapsed license, one reciprocal disciplinary action and one for gross negligence/malpractice.

### **Description of Proposed Amendments**

Based upon the above expense and revenue estimates provided to the Board, the Board proposes to amend its fee schedule at 49 Pa. Code §31.41 to increase the fee for biennial renewal of licenses for veterinarians from \$105.00 to \$225.00 and increase the fee for animal health technicians from \$30.00 to \$60.00. By this increase, the Board will recoup the 1999 deficit and offset the projected deficit of \$341,681.10 in FY 1999-2000.

### **Compliance with Executive Order 1996-1**

In accordance with the requirements of Executive Order 1996-1 (February 6, 1996), in drafting and promulgating the regulation the Board considered the regulations as both required by law and the least restrictive means of covering the costs of services required to be performed by the Board.

### **Fiscal Impact**

The proposed amendments will increase the biennial renewal fee for veterinarians and animal health technicians. A veterinarian will pay an additional \$120.00 for biennial renewal. An animal health technician will pay an additional \$30.00 for biennial renewal. The proposed regulation should have no other fiscal impact on the private sector, the general public or political subdivisions.

### **Paperwork Requirements**

The proposed regulation will require the Board to alter some of its forms to reflect the new biennial renewal fees; however, the proposed regulations should not create additional paperwork for the private sector.

### **Sunset Date**

The Act requires that the Board monitors its revenue and cost on a fiscal year and biennial basis. Therefore, no sunset date has been assigned.

### **Regulatory Review**

Pursuant to Section 5(a) of the Regulatory Review Act, the Act of June 30, 1989 (P.L. 73), as amended, 71 P.S. §745.5(a), the Board submitted a copy of this proposed regulation on May 2, 2000 to the Independent Regulatory Review Commission and the Chairpersons of the House Professional Licensure Committee and Senate Consumer Protection and Professional Licensure Committee for review and comment. In addition to submitting the proposed regulation, the Board has provided the Commission and the Committees with a copy of a detailed Regulatory Analysis Form prepared by the Board in compliance with Executive Order 1996-1, "Regulatory Review and Promulgation." A copy of this material is available to the public upon request.

If the Commission has any objections to any portion of the proposed regulation, it will notify the Board within ten days after the expiration of the Committees' review period. Such notification shall specify the regulatory review criteria which have not been met by that portion. The Act specifies detailed procedures for review, prior to final publication of the regulation, by the Board, the General Assembly and the Governor of objections raised.

### **Public Comment**

Interested persons are invited to submit written comments, suggestions or objections regarding this proposed rulemaking to Robert Kline, Administrator, State Board of Veterinary Medicine, P.O. Box 2649, Harrisburg, Pennsylvania 17105-2649, within 30 days following publication of this proposed rulemaking in the Pennsylvania Bulletin.

Annex A

TITLE 49. PROFESSIONAL AND VOCATIONAL STANDARDS  
PART I. DEPARTMENT OF STATE  
Subpart A. PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
CHAPTER 31. STATE BOARD OF VETERINARY MEDICINE

FEEES

§31.41. Schedule of fees.

An applicant for a license, certificate or service shall submit a payment at the time of the request under the following fee schedule:

*Veterinarians:*

\*\*\*

Biennial renewal.....~~[\$105]~~\$225

\*\*\*

*Animal health technicians:*

\*\*\*

Biennial renewal.....~~[\$30]~~\$60

\*\*\*



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
STATE BOARD OF VETERINARY MEDICINE

LEGAL OFFICE  
Counsel Division  
(717) 783-7200  
FAX: (717) 787-0251

116 PINE STREET  
P.O. BOX 2649  
HARRISBURG, PA  
17105-2649

May 2, 2000

The Honorable John R. McGinley, Chairman  
INDEPENDENT REGULATORY REVIEW COMMISSION  
14th Floor, Harristown 2  
333 Market Street  
Harrisburg, PA 17120

**RE: Proposed Regulations of the State Board of Veterinary Medicine  
Pertaining to Biennial Fees (16A-579)**

Dear Chairman McGinley:

Enclosed is a copy of a proposed rulemaking package of the State Board of Veterinary Medicine.

The State Board of Veterinary Medicine, as always, will be pleased to provide your committee with any assistance it may require during the course of its review of this regulation.

Sincerely,

A handwritten signature in black ink that reads "Brian V. Harpster, VMD".

Brian V. Harpster, V.M.D., Chairman  
State Board of Veterinary Medicine

BVH:TLM:apm:eco

c: John T. Henderson, Jr., Chief Counsel  
Department of State  
  
Dorothy Childress, Commissioner  
Bureau of Professional and Occupational Affairs  
  
Joyce McKeever, Deputy Chief Counsel  
Department of State  
  
Herbert Abramson, Senior Counsel in Charge  
Bureau of Professional and Occupational Affairs  
  
Teresa Lazo-Miller, Counsel  
State Board of Veterinary Medicine  
  
State Board of Veterinary Medicine



TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE  
REGULATORY REVIEW ACT

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INDEPENDENT REGULATORY  
REVIEW COMMISSION



I.D. NUMBER: 16A-579  
SUBJECT: State Board of Veterinary Medicine - Biennial Renewal Fees  
AGENCY: DEPARTMENT OF STATE

TYPE OF REGULATION

- X Proposed Regulation
- Final Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor
- Delivery of Tolled Regulation
  - a. With Revisions
  - b. Without Revisions

FILING OF REGULATION

DATE	SIGNATURE	DESIGNATION
5/2/00	Lori A. Clark	HOUSE COMMITTEE ON PROFESSIONAL LICENSURE
5/2/00	Sammy Weaver	SENATE COMMITTEE ON CONSUMER PROTECTION & PROFESSIONAL LICENSURE
5/2/00	Jessica Villanueva	INDEPENDENT REGULATORY REVIEW COMMISSION
		ATTORNEY GENERAL
5/2/00	Marya Garcia	LEGISLATIVE REFERENCE BUREAU

April 10, 2000