Regulatory Analysis Form (Completed by Promulgating Agency)	insiependene Regulatory Review Commession
SECTION I: PROFILE (1) Agency: Department of State, Bureau of Professional and Occupational Affairs, State Board of Veterinary Medicine	PEOEIVE Muture Form States and States and St
(2) Agency Number:	
Identification Number: 16A-5723	IRRC Number: 2788
(3) Short Title:	
Biennial renewal fees	
(4) PA Code Cite: 49 Pa. Code § 31.41	
(5) Agency Contacts (List Telephone Number, Address, Fax Numbe	r and Email Address):
Primary Contact: Teresa Lazo, assistant counsel, Department of S (717)783-7200; P.O. Box 2649, Harrisburg, PA 17105-2649; (717)787-0251; tlazo@state.pa.us
Secondary Contact: Joyce McKeever, Deputy Chief Counsel, Dep (717)783-7200; P.O. Box 2649, Harrisburg, PA 17105-2649; (717	
(6) Primary Contact for Public Comments (List Telephone Number, Address) – <u>Complete if different from #5:</u> State Board of Veterina (717)783-7134; P.O. Box 2649, Harrisburg, PA 17105-2649; (717)	ry Medicine
(All Comments will appear on IRRC'S website)	
(7) Type of Rulemaking (check applicable box):	
 X Proposed Regulation Final Regulation Final Omitted Regulation Emergency Certification Regulation; Certification by the Governor 	
Certification by the Attorney General	

(8) Briefly	explain the regulation in clear and nontechnical language. (100 we	ords or less)
veterinaria	oosed rulemaking would increase the biennial renewal f ans and from \$75 to \$90 for certified veterinary technicians to cover the costs of sustaining the Board's operations.	
(9) Include	e a schedule for review of the regulation including:	
A. ⁻	The date by which the agency must receive public comments:	30 days after publication.
	The date or dates on which public meetings or hearings will be held:	<u>N/A</u>
	The expected date of promulgation of the proposed regulation as a final-form regulation:	By September 1, 2010
D.	The expected effective date of the final-form regulation:	Upon final publication.
	The date by which compliance with the final-form regulation will be required:	December 1, 2010
	The date by which required permits, licenses or other approvals must be obtained:	<u>N/A</u>

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

The Board continually reviews the efficacy of its regulations, as part of its annual review process under Executive Order 1996-1. The Board reviews its regulatory proposals at regularly scheduled public meetings, generally the third Thursday of each odd-numbered month. More information can be found on the Board's website (www.dos.state.pa.us/). Additionally, the Department of State, Bureau of Finance and Operations, makes annual financial reports to the Board. With this input, the Board regularly considers whether to amend its renewal fees.

SECTION II: STATEMENT OF NEED

(11) State the statutory authority for the regulation. Include specific statutory citation.

This rulemaking is authorized by section 13 of the Veterinary Medicine Practice Act (63 P.S. § 485.13).

(12) Is the regulation mandated by any federal or state law or court order, or federal regulation? Are there any relevant state or federal court decisions? If yes, cite the specific law, case or regulation as well as, any deadlines for action.

Yes. The Board is required by section 13(b) of the Act (63 P.S. § 485.13(b)) to set fees to raise sufficient revenue to meet expenditures. The Board's projected deficit for fiscal year 2007-08 is \$105,254.46; the projected deficit increases to \$153,361.88 in FY 2009-10, and to \$374,361.00 in FY 2011-12, and to \$748,361.88 in FY 2013-14, and to \$1,290,361.88 in FY 2015-16. The proposed rulemaking is not mandated by any other federal or state law or court order or federal regulation.

(13) State why the regulation is needed. Explain the compelling public interest that justifies the regulation. Describe who will benefit from the regulation. Quantify the benefits as completely as possible and approximate the number of people who will benefit.

Nonregulation would adversely impact the fiscal integrity of the Board.

(14) If scientific data, studies, references are used to justify this regulation, please submit material with the regulatory package. Please provide full citation and/or links to internet source.

This rulemaking is based upon financial reports made by the Department of State's Bureau of Finance and Operations. This proposed rulemaking is not based upon any other scientific data, studies, or references.

(15) Describe who and how many will be adversely affected by the regulation. How are they affected?

Licensees will pay higher biennial renewal fees. The Board does not foresee any other groups being adversely affected by the proposed rulemaking.

(16) 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.

All licensed veterinarians and CVTs will be required to comply with the proposed rulemaking. The Board licenses 3,742 veterinarians and 1,437 CVTs.

SECTION III: COST AND IMPACT ANALYSIS

(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. Explain how the dollar estimates were derived.

The cost in the first biennial period of implementation will be \$224,520 for veterinarians and \$21,555 for CVTs by raising the renewal fee by \$60 and by \$15, respectively. There are no other costs or savings to the regulated community associated with compliance with the proposed rulemaking.

(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. Explain how the dollar estimates were derived.

There are no costs or savings to local governments associated with compliance with the proposed rulemaking.

(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. Explain how the dollar estimates were derived.

The Board will not incur an increase in administrative costs by implementing the rulemaking. Indeed, the regulatory amendment will permit the Board to recoup the costs of its operations. There are no other costs or savings to state government associated with compliance with the proposed rulemaking.

(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 Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
SAVINGS:	\$	\$	\$	\$	\$	\$
Regulated Community						
Local Government						
State Government		· · · · · · · · · · · · · · · · · · ·				· ·
Total Savings	NA	NA	NA	NA	NA	NA
COSTS:						
Regulated Community			\$246,075		\$410,125	
Local Government						
State Government						
Total Costs			\$246,075		\$410,125	
REVENUE LOSSES:						
Regulated Community						
Local Government						
State Government						
Total Revenue Losses	NA	NA	NA	NA	NA	NA

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

Program	FY -3	FY -2	FY1	Current FY
	(FY 05-06)	(FY 06-07)	(FY 07-08)	(FY 08-09)
Pa. State Board of Veterinary Medicine	\$537,277	\$635,628	\$534,629	\$706,000

(21) Explain how the benefits of the regulation outweigh any cost and adverse effects.

The regulatory amendment is mandated by section 13 of the Act (63 P.S. § 485.13) and is necessary to assure the fiscal integrity of the Board.

(22) Describe the communications with and input from the public and any advisory council/group in the development and drafting of the regulation. List the specific persons and/or groups who were involved.

Because the reconciliation of its budget is an administrative function for which public input is not required, the Board did not solicit input from or provide an exposure draft of this proposed rulemaking to interested parties. However, the Board received the various financial reports and discussed possible renewal fee increases in public session at meetings routinely attended by members of the regulated community and their professional associations.

(23) Include a description of any alternative regulatory provisions which have been considered and rejected and a statement that the least burdensome acceptable alternative has been selected.

The Board carefully considered reports and recommendations from the Department's Bureau of Finance and Operations and from the House Professional licensure Committee in this proposed rulemaking. The Board concludes that this proposed rulemaking is the least burdensome acceptable alternative. No other alternative regulatory schemes were considered.

(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 regulations.

No federal standards apply.

(25) How does this regulation compare with those of other states? How will this affect Pennsylvania's ability to compete with other states?

The proposed renewal fees are higher than those in most of the surrounding states. The biennial renewal fees in those states are:

	Veterinarians	CVTs
Delaware	\$114	\$71
Maryland	\$280	\$40
New Jersey	\$250	\$110 .
New York	\$210	\$80
Ohio	\$225	\$95
West Virginia	\$450	\$120

The proposed rulemaking would not put Pennsylvania at a competitive disadvantage.

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

This proposed regulation would not affect other regulations of the Board or other state agencies.

(27) Submit a statement of legal, accounting or consulting procedures and additional reporting, recordkeeping or other paperwork, including copies of forms or reports, which will be required for implementation of the regulation and an explanation of measures which have been taken to minimize these requirements.

This proposed rulemaking would not require any additional recordkeeping or other paperwork.

(28) 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.

The Board has determined that there are no special needs of any subset of its applicants or licensees for whom special accommodations should be made.

FEE REPORT FORM

Agency: State - BPOA

Date: February 4, 2009

Contact: Basil Merenda Commissioner, Bureau of Professional and Occupational Affairs

Phone No. 783-7192

Fee Title, Rate and Estimated Collections:

Veterinarian Biennial Renewal Fee: \$360.00 Veterinarian Technician Biennial Renewal Fee: \$90.00

Estimated Biennial Revenue: Veterinarian - \$1,430,280.00 (3,973 renewals x \$360.00) Veterinarian Technician - \$141,120.00 (1,568 renewals x \$90.00)

Total Estimated Biennial Revenue: \$1,571,400.00

Fee Description:

The 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:

Estimated balance at end of 09/10 cycle:	(153,361.88)
FOR BIENNIAL CYCLE 7/01/10-6/30/11	
Estimated non-renewal revenue:	57,500.00
Estimated renewal revenue @ above rates:	1,540,000.00
Total revenue available:	1,444,138.12
Estimated expenditures:	732,000.00
Estimated ending balance on 6/30/11:	712,138.12
FOR BIENNIAL CYCLE 7/01/11-6/30/12	
Estimated non-renewal revenue:	57,500.00
Estimated renewal revenue @ above rates:	31,500.00
Estimated expenditures:	769,000.00
Estimated ending balance on 6/30/12:	32,138.12

Analysis, Comment, and Recommendation:

It is recommended that the above renewal fees be established to cover projected funding shortfalls between the Board's total biennial expenditures and its total biennial revenues from non-renewal sources.

DEPARTMENT OF STATE BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS

STATE BOARD OF VETERINARY MEDICINE CURRENT FINANCIAL STATUS

FINANCIAL STATUS	Actual FY 06-07	Actual FY 07-08	Projected FY 08-09	Projected FY 09-10	Projected FY 10-11	Projected FY 11-12	Projected FY 12-13	Projected FY 13-14	Projected FY 14-15	Projected FY 15-16
Beginning Balance	(89,802.58)	506,985.74	109,416.39	603,416.39	(43,583.61)	407,416.39	(283,583.61)	122,416.39	(615,583.61)	(258,583.61)
Revenue	1,232,416.86	137,060.33	1,200,000.00	80,000.00	1,200,000.00	80,000.00	1,200,000.00	80,000.00	1,200,000.00	80,000.D0
Total Revenue	1,142,614.28	644,046.07	1,309,416.39	683,416.39	1,156,416.39	487,416.39	916,416.39	202,416.39	584,416.39	(178,583.61)
Expenses/Budget	635,628.54	534,629.68 *	706,000.00	727,000.00	749,000.00	771,000.00	794,000.00	818,000.00	843,000.00	868,000.00
Remaining Balance	506,985.74	109,416.39	603,416.39	(43,583.61)	407,416.39	(283,583.61)	122,416.39	(615,583.61)	(258,583.61)	(1,046,583.61)

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* Estimated

Prepared by: Bureau of Finance and Operations Division of Fiscal Management

FACE SHEET FOR FILING DOCUMENTS WITH THE LEGISLATIVE REFERENCE BUREAU

(Pursuant to Commonwealth Documents Law)

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

BY:

(DEPUTY ATTORNEY GENERAL)

JUN 17 2009

DATE OF APPROVAL

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

State Board of Veterinary Medicine (AGENCY)

document/fiscal note no. 16A - 5723

DATE OF ADOPTION:

BY: Thomas

TITLE: Chairperson (EXECUTIVE OFFICER, CHAIRMAN OR SECRETARY)

H = (239 519 -2 M 10: 27

DO NOT WRITE IN THIS SPACE

Copy below is approved as to form and legality. Executive or Independent Agencies. RY Hodrew C

MAY 2 0 2009

DATE OF APPROVAL

-(Executive Deputy General Counsel Strike inapplicable title)

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

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

[] Check if applicable Copy not approved. Objections attached. The State Board of Veterinary Medicine (Board) proposes to amend § 31.41 (relating to fees) as set forth in Annex A. The proposed regulation would provide for an incremental increase to the biennial license renewal fee for veterinarians and veterinary technicians over the upcoming five biennial renewal cycles.

Effective Date

The amendments will be effective upon publication of the final-form rulemaking in the <u>Pennsylvania Bulletin</u>. The increased fees would be effective for the renewal period beginning December 1, 2010.

Statutory Authority

Section 13(b) of the Veterinary Medicine Practice Act (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 Board expenditures. In recent years, while considering biennial renewal fee proposals from a variety of boards within the Bureau of Professional and Occupational Affairs, the House Professional Licensure Committee has suggested that the licensing boards set fee increases that are incremental over more than one biennial period. By this proposal the Board would implement this suggestion. In addition to providing smaller increases for licensees, licensees benefit because the cost of promulgating biennial renewal fee regulations is saved.

Background and Purpose

The Board's current biennial license renewal fees for veterinarians and veterinary technicians were established in 2006. (See 36 Pa.B. 4608, August 19, 2006). At the time the fee was established, it was anticipated that the new fee would enable the Board to balance its revenues and expenses for at least two biennial periods. Under section 13(b) of the act (63 P.S. § 485.13(b)), the Board is required to support its operations from the revenue it generates from fees, fines and civil penalties. In addition, the act provides that the Board must increase fees if the revenue raised by fees, fines and civil penalties is not sufficient to meet expenditures over a 2-year period. The Board raises virtually all of its revenue through biennial renewal fees.

At Board meetings in December 2007, and May 2008, the Department of State's Bureau of Finance and Operations (BFO) presented a summary of the Board's revenue and expenses. BFO projected a deficit of \$105,254.45 in fiscal year 2007-2008, a deficit of \$153,361.88 in fiscal year 2009-2010, a deficit of \$374,361.88 in fiscal year 2011-2012 and a deficit of \$748,361.88 in fiscal year 2013-2014. According to the information presented, it would appear that BFO's 2005 projections were insufficient. The major reason for the deficits is that the number of complaints against veterinarians, particularly allegations of negligence or malpractice which require substantial resources to investigate, review and prosecute, have increased. As a

result of the projected deficits, BFO again recommended that the Board raise fees to meet or exceed projected expenditures, in compliance with section 13(b) of the act.

BFO recommended increasing the renewal fee for veterinarians to \$450 and increasing the renewal fee for veterinary technicians to \$115. Upon consideration of the HPLC's recommendation that the Board adopt an incremental increase rather than sporadic, large increases, the Board determined that it would accept the HPLC's recommendation such that a figure close to BFO's recommendation would be achieved over three biennial renewal periods rather than immediately. The Board's proposal would create the following fee schedule over the next ten years:

	Veterinarians	Veterinary Technicians
Current	\$ 300	\$ 75
November 2010	\$ 360	\$ 90
November 2012	\$ 400	\$ 100
November 2014	\$ 440	\$ 110
November 2016	\$ 490	\$ 120
November 2018	\$ 540	\$ 130
November 2020	\$ 590	\$ 140

In spite of the proposed increases, the Board's new fees will be less than some surrounding states, but will be higher than other surrounding states. The Board is not aware of any other state that has adopted an incremental fee schedule.

Description of Proposed Amendments

Based upon the expense and revenue estimates provided to the Board, the Board proposes to amend § 31.41 (relating to fees) to increase the fee for biennial renewal of licenses for veterinarians from \$300 to \$360 for the first biennial period following promulgation of the regulation and in accordance with the schedule above over the next five biennial periods. This incremental increase should be less burdensome on the Board's licensees while allowing the Board to meet its statutory obligations.

Fiscal Impact

The proposed regulation will increase the biennial renewal fee for veterinarians and veterinary technicians. 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 monitor its revenue and cost on a fiscal year and biennial basis. Therefore, no sunset date has been assigned.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P.S. § 745.5(a)), on September 2, 2009, the Board submitted a copy of this proposed regulation and a copy of a Regulatory Analysis form to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the Senate Consumer Protection and Professional Licensure Committee and the House Professional Licensure Committee. A copy of this material is available to the public upon request.

Under section 5(g) of the Regulatory Review Act, IRRC may convey any comments, recommendations or objections to the proposed rulemaking within 30 days of the close of the public comment period. Comments, recommendations or objections shall specify the regulatory review criteria which have not been met. The Regulatory Review Act specifies detailed procedures for review, prior to final publication of the rulemaking, by the Board, the General Assembly, and the Governor of comments, recommendations or objections raised.

Public Comment

Interested persons are invited to submit written comments, suggestions or objections regarding this proposed rulemaking to Michelle Roberts, Administrative Assistant, State Board of Veterinary Medicine, P.O. Box 2649, Harrisburg, PA 17105-2649, within 30 days of publication of this proposed rulemaking in the *Pennsylvania Bulletin*. Please reference No. 16A-5723, Biennial Renewal Fees, when submitting comments.

16A-5723 Annex A Biennial Renewal Fee-P March 26, 2009

Annex A

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

FEES

§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:

Veterinarian[s] fees for services:

Application to original, reactivated, reissued or reciprocal license	\$35
Application for continuing education program approval	\$35
Verification of licensure	.\$15
Certification of scores or hours	.\$25
Temporary permit	\$35
[Biennial renewal\$	300]
Late renewal fee per month or part of months	\$5

Veterinarian biennial renewal:

Biennial renewal fee for biennial period December 1, 2010 – November 30,
2012\$360
Biennial renewal fee for biennial period December 1, 2012 – November 30,
2014\$400

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16A-5723 Annex A Biennial Renewal Fee-P March 26, 2009

Biennial renewal fee for biennial period December 1, 2014 – November 30, 2016\$440
Biennial renewal fee for biennial period December 1, 2016 – November 30, 2018
<u>Biennial renewal fee for biennial period December 1, 2018 – November 30,</u> 2020\$540
Biennial renewal fee for biennial period December 1, 2020 – November 30, 2022\$590

Veterinary technician[s] fees for services:

Application to original, reactivated, reissued or reciprocal license	\$35
Application for continuing education program approval	\$35
Verification of licensure	\$15
Certification of scores or hours	\$25
[Biennial renewal	\$75]
Late renewal fee per month or part of months	\$5

Veterinary technician biennial renewal:

Biennial renewal fee for biennial period December 1, 2010 – November 30,
2012\$90
Biennial renewal fee for biennial period December 1, 2012 – November 30,
2014\$100

16A-5723 Annex A Biennial Renewal Fee-P March 26, 2009

Biennial renewal fee for biennial period December 1, 2014 – November 30,	
2016	\$110
Biennial renewal fee for biennial period December 1, 2016 – November 30,	
2018	\$120
Biennial renewal fee for biennial period December 1, 2018 – November 30,	
2020	\$130
Biennial renewal fee for biennial period December 1, 2020 – November 30,	•
2022	\$140



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

Post Office Box 2649 Harrisburg, Pennsylvania 17105-2649 (717) 783-7134

September 2, 2009

The Honorable Arthur Coccodrilli, Chairman INDEPENDENT REGULATORY REVIEW COMMISSION 14th Floor, Harristown 2, 333 Market Street Harrisburg, Pennsylvania 17101

> Re: Proposed Regulation State Board of Veterinary Medicine 16A-5723: Biennial Renewal Fees

Dear Chairman Coccodrilli:

Enclosed is a copy of a proposed rulemaking package of the State Board of Veterinary Medicine pertaining to Biennial Renewal Fees.

The Board will be pleased to provide whatever information the Commission may require during the course of its review of the rulemaking.

Sincerely,

mos

Robin J. Bernstein, Esquire, Chairperson State Board of Veterinary Medicine

TJM/TAL:bac

Enclosure

cc:

Basil L. Merenda, Commissioner
Bureau of Professional and Occupational Affairs
Peter V. Marks, Executive Deputy Chief Counsel
Department of State
Joyce McKeever, Deputy Chief Counsel
Department of State
Cynthia Montgomery, Regulatory Counsel & Senior Counsel in Charge
Department of State
Teresa Lazo, Counsel
State Board of Veterinary Medicine
State Board of Veterinary Medicine

TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE REGULATORY REVIEW ACT

I.D. NUMBEF	R: 16A-5723	
SUBJECT:	STATE BOARD OF VETERINARY MEDICINE	
AGENCY:	DEPARTMENT OF STATE	
х	TYPE OF REGULATION 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 Regulationa.With Revisionsb.Without Revisions	
DATE	FILING OF REGULATION	
DATE	SIGNATURE DESIGNATION Professional Licensure HOUSE COMMITTEE ON STATE GOVERNMENT	
1/0/01	SENATE COMMITTEE ON STATE Protection & ba	
SENATE COMMITTEE ON STATE GOVERNMENT Professional Licensure		
9/2/09	majority CHAIRMAN Robert M. Tomlinson	
9/2/09 0	Kithy Copk INDEPENDENT REGULATORY REVIEW COMMISSION	
	ATTORNEY GENERAL (for Final Omitted only)	
9/2/09	h LEGISLATIVE REFERENCE BUREAU (for Proposed only)	

June 18, 2009