

LSC Greenbook

Analysis of the Enacted Budget

Veterinary Medical Licensing Board

Terry Steele, Budget Analyst
Legislative Service Commission

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ATTACHMENT:

Budget Spreadsheet By Line Item

Veterinary Medical Licensing Board

- Appropriations of \$352,375 in FY 2012 and \$349,857 in FY 2013
- Board oversaw more than 6,600 licenses in the veterinary field in FY 2011
- Two awards of \$10,000 each issued under the Veterinary Student Loan Repayment Program in FY 2011

OVERVIEW

Agency Overview

The Ohio Veterinary Medical Licensing Board (DVM) ensures that professional and competent veterinarians and veterinary technicians serve Ohio's citizens by examining applicants for licenses, issuing licenses, approving continuing education courses, and investigating complaints. Like many other licensing and regulatory boards, the majority of DVM's revenues come from license fees and the majority of its expenses are related to personnel. A seven-member board appointed by the Governor is responsible for oversight. Of the seven members, five must be licensed veterinarians, one must be a licensed veterinary technician, and one member must represent the public. The day-to-day operations are currently handled by an executive director and one other full-time employee.

Appropriation Overview

The budget appropriates \$352,375 for Board operations in FY 2012, an increase of 11.4% when compared to FY 2011 spending of \$316,356. The amount appropriated for FY 2013 is \$349,857, negligibly less than the amount appropriated for FY 2012. As with most other licensing and regulatory boards, the bulk of the funding is used for payroll and fringe benefit costs.

Because it is a small board, DVM contracts with the Department of Agriculture to conduct investigations of veterinarians and veterinary clinics rather than employing its own staff to do so. Under this arrangement, DVM pays only for the hours and the mileage of the investigator related to a specific inspection or investigation, significantly decreasing investigatory costs. In recent fiscal years, these costs have been approximately \$10,000 annually.

DVM receives support for handling certain administrative functions from the Central Services Agency within the Department of Administrative Services (DAS). These services include help in budget development, fiscal processing, human resources, and so forth. Charges for these services in the FY 2012-FY 2013 biennium are expected to be approximately \$10,000 per fiscal year.

The Board also incurs a small cost for using the state's eLicensing system, an online tool overseen by DAS that allows for license applications and renewals to be processed and stored electronically. Approximately 45% of veterinarians use the online renewal system to update their licensure. The operating costs for the system are recouped by charges assessed to the boards that use the system. In the near future, eLicensing will be replaced with a more secure, stable, and functional system referred to as the Ohio Professionals Licensing System. Once this new system is in place, the boards will also be charged for their share of usage.

License Fees and Fund 4K90

Fee revenue collected by DVM is deposited in the Occupational Licensing and Regulatory Fund (Fund 4K90), a fund used by 28 other boards to pool revenues and expenses. The Board's biennial renewal cycle results in significant fluctuations in the amount of revenue received on a year-to-year basis, with the vast majority of revenue coming in even-numbered fiscal years when renewals occur. The idea is for the revenue collected during the renewal year to cover the deficit created in the "off" year when operating expenses exceed receipts from license renewals. For example, in FY 2010, a renewal year, the Board generated approximately \$721,000 in license and other revenue and incurred operating expenses of just over \$296,000. In FY 2011, an off year, the Board generated approximately \$215,000 in revenue against approximately \$284,000 in expenses. As of the end of FY 2011, the Board oversaw 4,022 licensed veterinarians, 2,476 veterinary technicians, 52 limited license veterinarians, and 42 business facility licenses. The total number of licenses that the Board oversaw in FY 2011 was 6,662.

Veterinary Student Loan Repayment Program

In addition to its licensing and oversight functions, DVM operates a student grant program for veterinary students interested in large animal medicine, regulatory services, or veterinary public health. This program was established under H.B. 458 of the 126th General Assembly. The grants can be used to offset the cost of tuition, other educational expenses, and room and board. Awards can be up to \$10,000 per year, with a \$20,000 maximum. In FY 2011, the Board awarded two \$10,000 grants. The program is funded by \$10 from each license fee that is transferred into the Veterinary Student Loan Program Fund (Fund 5BU0). Four new types of licenses created under H.B. 458 were intended to augment the amount of revenue available to fund the grant program. While this has generated some additional income, the balance in Fund 5BU0 was only just over \$25,000 as of the end of July 2011.

ANALYSIS OF ENACTED BUDGET

Funding for DVM				
Fund	ALI and Name		FY 2012	FY 2013
General Services Fund Group				
4K90	888609	Operating Expenses	\$322,375	\$319,857
5BU0	888602	Veterinary Student Loan Program	\$30,000	\$30,000
Total Funding:			\$352,375	\$349,857

Operating Expenses (888609)

Fund 4K90 line item 888609, Operating Expenses, is used to pay DVM's operating expenses, the majority of which are related to personnel. The \$322,375 in funding for FY 2012 is 13.6% over FY 2011 spending of \$283,965. The FY 2013 appropriation is \$319,857. In addition to the seven-member board, as of July 2011 DVM has two full-time employees: an Executive Director and an Administrative Assistant 2. Because it has a small staff, the Board contracts with the Department of Agriculture to conduct inspections of veterinary facilities and veterinarians. According to the Board's annual report for FY 2011, it oversaw over 6,600 licenses and handled 135 complaints.

Veterinary Student Loan Program (888602)

This line item is used to reimburse veterinary students interested in the areas of large animal medicine, regulatory services, or veterinary public health in areas of the state where these professional services are lacking. The grants can be used to cover tuition, other educational expenses, and room and board. The awards can be for up to \$10,000 per year with a \$20,000 maximum. Under the program, recipients must agree to practice in Ohio for a certain period of time. If the grant is less than \$10,000, they must stay in Ohio for at least one year; if the grant is greater than \$10,000, they must stay in Ohio for at least two years. The appropriations for this grant program in the FY 2012-FY 2013 biennium are \$30,000 in each fiscal year.

To provide a funding source for the loan repayment program, \$10 of each of the license fees paid for veterinary licenses is transferred to the Veterinary Student Loan Fund (Fund 5BU0). In FY 2011, the Board issued two grants of \$10,000 for a one-year service agreement from the recipients. The current balance in Fund 5BU0 is \$25,561.

FY 2012 - FY 2013 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	FY 2011	Appropriations FY 2012	FY 2011 to FY 2012 % Change	Appropriations FY 2013	FY 2012 to FY 2013 % Change
Report For Main Operating Appropriations Bill			Version: Enacted					
DVM Veterinary Medical Licensing Board								
4K90	888609	Operating Expenses	\$ 296,181	\$ 283,965	\$ 322,375	13.53%	\$ 319,857	-0.78%
5BU0	888602	Veterinary Student Loan Program	\$ 27,500	\$ 32,391	\$ 30,000	-7.38%	\$ 30,000	0.00%
General Services Fund Group Total			\$ 323,681	\$ 316,356	\$ 352,375	11.39%	\$ 349,857	-0.71%
Veterinary Medical Licensing Board Total			\$ 323,681	\$ 316,356	\$ 352,375	11.39%	\$ 349,857	-0.71%