

LSC Greenbook

Analysis of the Enacted Budget

Veterinary Medical Licensing Board

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ATTACHMENT:

Budget Spreadsheet By Line Item

Veterinary Medical Licensing Board

- Appropriations of of \$402,195 in FY 2016 and \$408,195 in FY 2017
- Six grants totaling \$39,900 issued under the Veterinary Student Loan Repayment Program in the FY 2014-FY 2015 biennium

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 handled by an executive director who is appointed by the Board. Including the Executive Director, DVM has two full-time employees and one part-time clerk. The Board contracts with the Department of Agriculture to handle investigations.

Appropriation Overview

As Table 1 below shows H.B. 64 provides appropriations of \$402,195 in FY 2016, an increase of 25.3% when compared to FY 2015 spending of \$320,914. The funding provided for FY 2017 is \$408,195, or 1.5% higher than the amount appropriated for FY 2016. The funding is derived primarily from license revenue deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90). While most of the funding is for operating expenses, \$30,000 in each fiscal year is budgeted for the Veterinary Student Loan Repayment Program, a scholarship awarded to veterinary students who are studying large animal medicine, regulatory services, or veterinary public health. The program is funded by \$10 from each veterinary license renewal that is transferred from Fund 4K90 to the Veterinary Student Loan Program Fund (Fund 5BU0).

Fund Group	FY 2015*	FY 2016	% change, FY 2015-FY 2016	FY 2017	% change, FY 2016-FY 2017
Dedicated Purpose	\$292,244	\$372,195	27.4%	\$378,195	1.6%
Internal Service Activity	\$28,760	\$30,000	4.6%	\$30,000	0.0%
TOTAL	\$320,914	\$402,195	25.3%	\$408,195	1.5%

*FY 2015 figures represent actual expenditures.

Operating Results

Table 2 below shows DVM's revenue and expenditure history in recent fiscal years. Notice that the 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 revenue collected during the renewal year covers the deficit created in the "off" year when lesser amounts of license fee revenues are received. For the FY 2012-FY 2013 biennium, DVM's revenues exceeded total expenditures by \$418,393. For the FY 2014-FY 2015 biennium, revenues exceed expenses by \$338,138.

	FY 2012	FY 2013	FY 2014	FY 2015
Revenue	\$756,656	\$257,510	\$752,140	\$271,953
Expenditures	\$296,549	\$299,224	\$365,041	\$320,914
Net	\$460,107	-\$41,714	\$387,099	-\$48,961

Fees

Fee revenue collected from the various licenses issued by DVM is deposited in the Occupational Licensing and Regulatory Fund (Fund 4K90), a pooled operating fund used by many of the state's other occupational licensing and regulatory boards and commissions. With regard to the veterinary field, the number of new veterinarians entering the workforce is largely controlled by the number of students that veterinary schools enroll. Consequently, the number of active licenses overseen by the Board remains relatively flat from year to year. The license types and their related fees are listed in Table 3 below. H.B. 64 contains an increase to the initial veterinary license fee from \$375 to \$425.

License	Fee (New/Renewal)
Veterinarian	\$425/\$155
Veterinary Business Facility	\$300
Veterinary Specialist	\$50
Veterinary Technician	\$35
Limited License	\$35/\$155
Provisional Graduate License	\$100
Temporary License	\$100

Statutory Changes in H.B. 64

Veterinary Examination Process

A provision in H.B. 64 changes the testing and credentialing process for those seeking to enter the veterinary profession in Ohio. First, the bill eliminates a \$50 fee the Board had charged prospective veterinarians for taking the Nationally Accredited Veterinary Licensing Examination (NAVLE). Now, the applicant may take the examination without DVM's involvement. In FY 2014, 132 individuals applied to take the NAVLE examination, generating \$6,600 in fee revenue. However, the Board also incurred costs for postage and letterhead to mail out the applicable documentation to the applicants. Additionally, the bill increases initial license fees by \$50, taking the fee from \$375 to \$425 for initial licenses in an even-numbered year, and from \$250 to \$300 for initial licenses in an odd-numbered year. In FY 2014, there were 114 new licenses issued. Based on the new licenses issued in FY 2014, this fee increase would therefore generate an estimated \$5,700 in revenue.

Educational Prerequisites for Licensure

H.B. 64 also adds the Program for the Assessment of Veterinary Education Equivalence (PAVE), a tool used by the American Association of Veterinary State Boards, to the list of assessments used to determine whether an applicant that resides in another state or country meets the educational requirements to obtain a veterinary license in Ohio. Formerly, the only such assessment accepted by the Board was one overseen by the American Veterinary Medical Association.

Expanded Authority to Suspend Licenses

H.B. 64 also includes provisions that expand the authority of DVM to suspend licenses under certain conditions. Specifically, the bill authorizes the Board to suspend the license or registration of an individual without first holding a hearing if the Executive Director recommends such an action based on clear and convincing evidence that certain actions committed by an individual, including alcohol or drug addiction

and cruelty to animals, presents a danger to the public. H.B. 64 also allows for the automatic suspension of an individual's license if the person is found guilty of, has pleaded guilty to, or is subject to a judicial finding in relation to specific crimes, including murder and felonious assault.

ANALYSIS OF ENACTED BUDGET

Appropriations for the Veterinary Medical Licensing Board				
Fund	ALI and Name		FY 2016	FY 2017
Dedicated Purpose Fund Group				
4K90	888609	Operating Expenses	\$372,195	\$378,195
<i>Dedicated Purpose Fund Group Subtotal</i>			\$372,195	\$378,195
Internal Service Activity Fund Group				
5BU0	888602	Veterinary Student Loan Program	\$30,000	\$30,000
<i>Internal Service Activity Fund Group Subtotal</i>			\$30,000	\$30,000
Total Funding: Veterinary Medical Licensing Board			\$402,195	\$408,195

Operating Expenses (888609)

Fund 4K90 appropriation item 888609, Operating Expenses, is used to pay the Board's operating expenses, the majority of which are related to personnel. The Board employs three people: an executive director and license coordinator (both full-time), and a clerk who works on a part-time basis. The FY 2016 appropriation of \$372,195 is approximately 27.4% more than spending of \$292,244 for these purposes in FY 2015. The amount appropriated for FY 2017 is \$378,195, a 1.6% increase when compared to the FY 2016 appropriation. DVM oversees eight types of licenses covering both professionals in the veterinarian field and facilities. In FY 2015, the Board oversaw 4,494 licensed veterinarians and 3,384 veterinary technicians. These two license types accounted for 96.4% of the 8,169 licenses in FY 2015.

Veterinary Student Loan Program (888602)

Veterinary Student Loan Repayment Fund (Fund 5BU0) appropriation item 888602, Veterinary Student Loan Program, is used to reimburse veterinary students interested in large animal medicine, regulatory services, or veterinary public health in areas of the state where these professional services are lacking. The awards 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 grant program, recipients must agree to practice in Ohio for a certain period of time. If the grant is less than \$10,000, recipients must stay in Ohio for at least one year; if the grant is greater than \$10,000, recipients must stay in Ohio for at least two years. In FY 2014, the Board awarded three grants totaling \$15,000. Three grants totaling \$24,900 were awarded in FY 2015.

FY 2016 - FY 2017 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			FY 2014	FY 2015	Appropriation FY 2016	FY 2015 to FY 2016 % Change	Appropriation FY 2017	FY 2016 to FY 2017 % Change
Report For Main Operating Appropriations Bill			Version: As Enacted					
DVM Veterinary Medical Licensing Board								
4K90	888609	Operating Expenses	\$ 343,441	\$ 292,244	\$ 372,195	27.36%	\$ 378,195	1.61%
Dedicated Purpose Fund Group Total			\$ 343,441	\$ 292,244	\$ 372,195	27.36%	\$ 378,195	1.61%
5BU0	888602	Veterinary Student Loan Program	\$ 21,600	\$ 28,670	\$ 30,000	4.64%	\$ 30,000	0.00%
Internal Service Activity Fund Group Total			\$ 21,600	\$ 28,670	\$ 30,000	4.64%	\$ 30,000	0.00%
Veterinary Medical Licensing Board Total			\$ 365,041	\$ 320,914	\$ 402,195	25.33%	\$ 408,195	1.49%