

Greenbook
LSC Analysis of Enacted Budget

**Ohio Veterinary Medical
Licensing Board**

Terry Steele, Senior Budget Analyst
Legislative Service Commission

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TABLE OF CONTENTS

OVERVIEW	1
Agency Overview.....	1
Appropriation Overview	1
Licensing	1
Veterinary Student Loan Repayment Program	2
ANALYSIS OF ENACTED BUDGET	3
Operating Expenses (888609)	3
Veterinary Student Loan Program (888602)	3

ATTACHMENT:

Budget Spreadsheet By Line Item

Veterinary Medical Licensing Board

- Appropriations of \$426,369 in FY 2018 and \$469,369 in FY 2019
- Three grants totaling \$26,000 issued under the Veterinary Student Loan Repayment Program in FY 2017

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, a program administrator who is appointed by the Board. As of July 2017, the Board employed two full-time staff persons, including the Executive Director, and one part-time clerk. The Board contracts with the Department of Agriculture to handle investigations.

Appropriation Overview

H.B. 49 provides appropriations of \$426,369 in FY 2018, an increase of almost 24.0% when compared to FY 2017 spending of \$343,966. The funding for FY 2019 is \$469,369, or just over 10.0%, higher than the amount appropriated for FY 2018.

Licensing

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 most of Ohio's occupational licensing and regulatory boards and commissions. According to data provided in DVM's annual report for FY 2017, the Board oversaw licensing for 4,397 veterinarians, 3,838 registered veterinary technicians, and 86 veterinary business facilities. There were also a total of 108 specialty licenses and 80 limited licenses (veterinary practitioners in residency, in the field of academic research, or working in government laboratories). The license types overseen by the Board and the associated fees are listed in Table 1 on the following page.

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

As Table 2 shows, the vast amount of DVM's revenue comes in the 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 2016-FY 2017 biennium, DVM's revenues exceeded total expenditures by \$349,107.

	FY 2014	FY 2015	FY 2016	FY 2017
Revenue	\$752,140	\$264,258	\$750,515	\$286,473
Expenditures	\$343,441	\$292,244	\$343,915	\$343,966
Net	\$408,669	-\$27,986	\$406,600	-\$57,493

Veterinary Student Loan Repayment Program

In addition to its responsibilities in overseeing practitioners and operations in the veterinary medicine field, DVM oversees a grant program for veterinary students interested in large animal medicine, regulatory services, or veterinary public health. 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, and require a service commitment from the recipient. In FY 2017, DVM awarded three grants, although the loan funding was not distributed by the close of the fiscal year. Two were in the amount of \$10,000 for one-year service commitments pledged by the recipients, while one award was for \$6,000 for a second year of pledged service in the targeted veterinary service fields. The program is funded by \$10 from each license fee that is collected and subsequently deposited into the Veterinary Student Loan Program Fund (Fund 5BU0).

ANALYSIS OF ENACTED BUDGET

Appropriations for the Veterinary Medical Licensing Board				
Fund	ALI and Name		FY 2018	FY 2019
Dedicated Purpose Fund Group				
4K90	888609	Operating Expenses	\$396,369	\$439,369
Internal Service Activity Fund Group				
5BU0	888602	Veterinary Student Loan Program	\$30,000	\$30,000
Total Funding: Veterinary Medical Licensing Board			\$426,369	\$469,369

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 Board contracts with the Department of Agriculture to conduct inspections of veterinary facilities and veterinarians. Most of the appropriations are devoted to payroll. According to information in the Board's annual report for FY 2017, about 85.0% of overall expenses were related to payroll, while the remaining amount was for other operating expenses.

Overall, the FY 2018 appropriation of \$396,369 is an increase of 15.2% compared to FY 2017 spending of \$343,966 on operating expenses. The amount appropriated for FY 2019 is \$439,369, a 10.9% increase when compared to the FY 2018 appropriation. A portion of these increases will go toward the additional costs attributable to the Enterprise eLicensing System and its added features.

DVM contracts with the Department of Agriculture to share four full-time investigators. Investigators conduct inspections of veterinary clinics to ensure that they conform to veterinary laws and DVM standards; they also investigate complaints made to DVM by consumers. DVM received 111 complaints in FY 2017. During that same fiscal year, DVM entered into 16 settlement agreements, issued 22 notices, issued 31 advisory letters, issued two adjudication orders, retired two licenses in lieu of discipline, and referred four cases to a prosecutor or another state agency. DVM also collected \$4,000 in fines in FY 2017.

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. The funding for these loans comes from the proceeds generated by a \$10 portion of every license renewal. These amounts are subsequently transferred to the Veterinary Student Loan Program Fund (Fund 5BU0). As noted previously, a total of three loans, including two \$10,000 loans for one-year service commitments on the part of the recipients and one loan for \$6,000 for a second year of service in the qualifying fields of veterinary service, were awarded in late FY 2017. However, these awards were not distributed until July 2017, the beginning of FY 2018.

DVM.docx/lb

FY 2018 - FY 2019 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			FY 2016	FY 2017	Appropriation FY 2018	FY 2017 to FY 2018 % Change	Appropriation FY 2019	FY 2018 to FY 2019 % Change
Report For Main Operating Appropriations Bill			Version: As Enacted					
DVM Veterinary Medical Licensing Board								
4K90	888609	Operating Expenses	\$ 343,915	\$ 343,966	\$ 396,369	15.24%	\$ 439,369	10.85%
Dedicated Purpose Fund Group Total			\$ 343,915	\$ 343,966	\$ 396,369	15.24%	\$ 439,369	10.85%
5BU0	888602	Veterinary Student Loan Program	\$ 20,000	\$0	\$ 30,000	N/A	\$ 30,000	0.00%
Internal Service Activity Fund Group Total			\$ 20,000	\$0	\$ 30,000	N/A	\$ 30,000	0.00%
Veterinary Medical Licensing Board Total			\$ 363,915	\$ 343,966	\$ 426,369	23.96%	\$ 469,369	10.09%