

SF1522 - 0 - Veterinary Medicine Regulations Modified

Chief Author: **Rob Kupec**
 Committee: **Agriculture and Rural Development**
 Date Completed: **2/23/2023 3:55:09 PM**
 Lead Agency: **Veterinary Medicine Board**
 Other Agencies:
 Administrative Hearings

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-	-
Administrative Hearings	-	-	-	-	-	-
Veterinary Medicine Board						
Health Related Boards	-	-	23	(36)	(36)	
Restrict Misc. Special Revenue	-	-	-	-	-	-
State Total						
Administrative Hearings	-	-	-	-	-	-
Health Related Boards	-	-	23	(36)	(36)	
Restrict Misc. Special Revenue	-	-	-	-	-	-
Total	-	-	23	(36)	(36)	
Biennial Total			23			(72)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Veterinary Medicine Board					
Health Related Boards	-	-	-	.5	.5
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	-	-	.5	.5

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Shannon Zila **Date:** 2/23/2023 3:55:09 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Veterinary Medicine Board					
Health Related Boards	-	-	23	(36)	(36)
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	-	23	(36)	(36)
Biennial Total			23		(72)
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	1	-	-
Veterinary Medicine Board					
Health Related Boards	-	-	23	52	52
Restrict Misc. Special Revenue	-	-	-	17	17
Total	-	-	24	69	69
Biennial Total			24		138
2 - Revenues, Transfers In*					
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	1	-	-
Veterinary Medicine Board					
Health Related Boards	-	-	-	88	88
Restrict Misc. Special Revenue	-	-	-	17	17
Total	-	-	1	105	105
Biennial Total			1		210

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 Agency: **Veterinary Medicine Board**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

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Restrict Misc. Special Revenue	-	-	-	-	-	-
Total	-	-	23	(36)	(36)	
Biennial Total			23		(72)	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Health Related Boards	-	-	-	.5	.5
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	-	-	.5	.5

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Shannon Zila **Date:** 2/23/2023 3:54:11 PM
Phone: 651-296-6053 **Email:** shannon.zila@lbo.mn.gov

State Cost (Savings) Calculation Details

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Health Related Boards	-	-	-	23	(36)	(36)
Restrict Misc. Special Revenue	-	-	-	-	-	-
Total	-	-	23	(36)	(36)	(36)
Biennial Total			23			(72)
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Health Related Boards	-	-	23	52	52	
Restrict Misc. Special Revenue	-	-	-	17	17	
Total	-	-	23	69	69	
Biennial Total			23			138
2 - Revenues, Transfers In*						
Health Related Boards	-	-	-	88	88	
Restrict Misc. Special Revenue	-	-	-	17	17	
Total	-	-	-	105	105	
Biennial Total						210

Bill Description

This bill will add language to the Veterinary Practice Act to enable licensure of veterinary technicians. The terms of licensed veterinary technician, veterinary technology, direct supervision, and remote supervision of veterinary technicians are defined. The criteria for application and licensure are established for first time applicants and for individuals previously licensed in 42 other states. A five-year temporary provision is included to allow licensure of individuals that have not received a degree from a veterinary technology college or passed the national Veterinary Technician Licensing Examination if the person has been actively engaged for at least 4160 hours in the practice of veterinary technology in the preceding five years.

Assumptions

1. The Minnesota Board of Veterinary Medicine operates on a Special Fund Allocation. All revenues generated go into the Special Fund. Revenues must cover expenses.
2. Estimates of the potential number of applicants are based on the US Bureau of Labor Statistics report of 3,450 veterinary technicians in Minnesota. This number is similar to an estimate of 4,500 individuals practicing veterinary technology generated by a survey of MN-registered professional firms in FY2022. This survey suggests that 3,000 of these individuals would qualify for licensure upon enactment of the bill, and not need to utilize the temporary provision.
3. The number of applications will be highest in the first two fiscal years and followed by a diminishing number in the following three years. Licenses will be renewed every two years. Renewal fees will provide the majority of revenue needed to cover ongoing expenses of veterinary technician licensure.
4. Current graduation rates from Minnesota’s four veterinary technology programs combined with a career attrition rate of 40% in the first 5 years of employment suggest a net gain of licenses of 100 licenses per year.
5. Licensure will be voluntary and will not negatively impact rural veterinary practices that may find difficulty hiring licensed veterinary technicians.
6. The Board will need to modify its existing database to support an additional license type in FY25, add staff as well as equipment at the start of FY26.
7. Rulemaking will be necessary before licensure can begin. This will require assistance. Per the Minnesota Rulemaking Manual, the estimated cost of this assistance is \$10,936 in FY 25.

8. An effective date of July 1, 2025 is presumed.

Expenditure and/or Revenue Formula

1. Board addition of 0.5 FTE OAS Sr., level 10 position to process license applications, renewals and complaints, including supplies, phone, laptop, desktop, and MNIT fees

· **(\$52,000 Expenditure FY26 and FY27)**

2. Database (ALIMS) software developers estimate that development of a veterinary technician module could take up to 80 hours assuming no significant scope creep or significant changes to existing functionality is required. Their current hourly rate is \$150/hour. (80 x \$150 = \$12,000). This would be an FY25 initial expense and may add to the Board's database maintenance fee in future years.

· **(\$12,000 Expenditure FY25)**

3. Rulemaking for Noncontroversial Procedural 1-2 page amendment

· **(\$10,936 Expenditure in FY25)**

4. Criminal Background Check (CBC) charge of \$33.25 per applicant from the CBC program (500 x \$33.25 = \$16,875)

· **(\$16,875 Expenditure FY26 and FY27)**

5. Revenue from proposed initial licensure fees based on 500 applications for FY26 and 500 applications for FY27 with application fees of \$175 (500 x \$175 = \$87,500)

· **(\$87,500 Revenue FY26 and FY27)**

6. Revenue from CBC fee of \$33.25 per applicant (500 x \$33.25 = \$16,625)

· **(\$16,625 Revenue FY26 and FY27)**

Long-Term Fiscal Considerations

1. In FY28 and FY29, license renewal revenue will generate approximately \$25,000 per year. An estimated 150 new applications will increase revenues an additional \$26,250.

2. In FY30, when the five - year temporary waiver of a veterinary technology degree or passing the Veterinary Technician National Examination expires, the number of new applicants may be lower.

Local Fiscal Impact

NA

References/Sources

Agency Contact: Julia Wilson (651-201-2843)

Agency Fiscal Note Coordinator Signature: Julia Wilson

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Date: 2/23/2023 10:13:23 AM

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Chief Author: **Rob Kupec**
 Committee: **Agriculture and Rural Development**
 Date Completed: **2/23/2023 3:55:09 PM**
 Agency: **Administrative Hearings**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		
		X

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Administrative Hearings	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Chloe Burns **Date:** 2/22/2023 10:30:28 AM
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State Cost (Savings) Calculation Details

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Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
Administrative Hearings	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Administrative Hearings	-	-	1	-	-	-
Total	-	-	1	-	-	-
Biennial Total			1			-
2 - Revenues, Transfers In*						
Administrative Hearings	-	-	1	-	-	-
Total	-	-	1	-	-	-
Biennial Total			1			-

Bill Description

SF1522 provides for the Board of Veterinary Medicine (Board) to conduct rulemaking to adopt rules to provide for the licensure of veterinary technicians.

The legislation authorizes the Board to conduct rulemaking to implement the provisions of 156.077, Licensed Veterinary Technicians.

Assumptions

The Board assumes a program of this size will require a noncontroversial rulemaking at \$10,936 in FY2025. Based on past practices, OAH assumes that a noncontroversial rulemaking under chapter 14 will require an estimated 4 hours of ALJ time for activity related to rulemaking procedures. Of the estimated rulemaking amount of \$10,936, \$980 is for the estimated 4 hours of ALJ time for a noncontroversial rulemaking.

OAH currently bills ALJ time for rulemaking at the MMB-approved billable rate of \$245 per hour (see Minn. Stat. § 16A.126, subd. 1 (2022)).

Expenditure and/or Revenue Formula

Estimated 14 hours of ALJ time for rulemaking activities related to implementing the requirements of 156.077, Licensed Veterinary Technicians = 4 hours x \$245/hr = \$980 charged to the Board in FY2025 pursuant to the requirements of Minn. Stat. § 14.53.

Long-Term Fiscal Considerations

Costs associated with rulemaking activities are a one-time occurrence.

Local Fiscal Impact

References/Sources

Agency Contact:

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