

MAY 10 1995



MINNESOTA BOARD OF VETERINARY MEDICINE

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May 8, 1995

TO: Legislative Commission to Review Administrative Rules

FROM: Roland C. Olson, DVM *R. Olson*
Executive Director

In accordance with the requirements of Minn. Stat. 14.23 (1994), a copy of Proposed Rules Relating to Fees of the Board of Veterinary medicine and the accompanying Statement of Need and Reasonableness is forwarded for your review.

dc

STATE OF MINNESOTA

MINNESOTA BOARD OF

COUNTY OF RAMSEY

VETERINARY MEDICINE

In the Matter of the Proposed
Permanent Rules Relating to Fees

STATEMENT OF NEED
AND REASONABLENESS

I. Introduction

The purpose of the Board of Veterinary Medicine is to examine and license qualified individuals desiring to practice veterinary medicine in Minnesota and to ensure that licensees meet and maintain competency standards.

The Board of Veterinary Medicine must revise current rules regarding examination and licensure fees which must be adjusted upward to meet anticipated increased expenses in the next biennium.

Minn. Stat. 156 establishes the Minnesota Board of Veterinary Medicine. Authority for the Board to effectuate Chapter 156 and develop the details of its programs through rulemaking is contained in Minn. Stat. 156.01, Subd. 3. The authority to adopt fee and license renewals rules is set forth at Minn. Stat. 214.06.

II. Small Business Considerations

The proposed rules increasing examination fees and professional licensure fees for veterinarians are authorized in Minn. Stat. 214.06, Subd. 1, which requires a health licensing board to collect licensure fees in an amount to as closely as possible equal anticipated expenditures during the fiscal biennium; as such, it is the board's opinion that Minn. Stat. 14.115 does not apply to this proposed rule amendment.

In the event of disagreement with the board's position, the board has reviewed the five suggested methods listed in section 14.115, subd. 2, for reducing the impact of the rules on small businesses. The suggested methods are as follows:

Methods (a), (b), and (c) all relate to compliance or reporting requirements for small business; either establishing less stringent requirements (a), establishing less stringent schedules for compliance (b), or simplifying compliance or reporting requirements (c). Since the proposed rules adjust professional licensure examination fees and individual licensure fees and do not deal with compliance or reporting requirements that would affect a small (or large) business, the board feels that the above methods are not germane in that there is no impact on small business.

Method (d) suggests replacing design or operational standards with performance standards for small businesses. The proposed rules address individual professional license fees and do not affect design or operational standards for businesses; therefore, there is no reason to implement performance standards as a replacement for design or operational standards that do not exist.

Method (e) suggests exempting small businesses from any or all requirements of the rule. The Board's view is that the proposed rule changes do not in any way regulate the business operation of veterinarians; therefore, there are no rule requirements from which to exempt small businesses.

III. Expenditure of Public Money by Local Public Bodies

There is no requirement in the proposed rules requiring the expenditure of money by any public body.

IV. Impact on Agricultural Lands

The proposed rules relate only to veterinary licensure fees and there is no impact on agricultural land.

9100.0400 Application Fees to Practice Veterinary Medicine

Subpart 1, A. Cost of the NBE examination has been increased \$65 by the preparer of the examination. It is necessary and reasonable for the board to increase the fee for this test a like amount to cover the increase in the examination price.

Subp. 1, B. Cost of the CCT examination has been increased \$65 by the preparer of the examination. It is necessary and reasonable for the board to increase the fee for this test a like amount to cover the increase in the examination price.

Subp. 1, C. The board has determined that a fee of \$50 more adequately covers the cost of processing license applications and preparing and administering the state jurisprudence examination. The board feels it is reasonable to set this fee at \$50.

Subpart 2. Additional clarification was added to Subpart 2 to make it clear that if candidates already have valid, satisfactory NBE and CCT scores, they do not have to pay the Minnesota fee for these examinations.

Subpart 3. Additional clarification was added to Subpart 3 to make it clear to candidates

that if they do not show for a scheduled test or wish to withdraw from testing, that refunds cannot be given for NBE and CCT examinations that have already been ordered.

9100.0500 Initial and Renewal Fee

Subpart 1. The board has determined that for administrative purposes and cost reduction, a two year licensure period should replace the current one-year period. It is reasonable to maintain the current renewal date of March 1 but to extend the validity of the license to two years.

Subp. 2. See attached Department of Finance approval of the board request to increase renewal fees from \$40 to \$50 per annum. Since the license validity period will be two years, it is reasonable to set the renewal fee at \$100 to cover both years.

A. It is necessary for administrative purposes to require renewal of initial licensees at the established end of the licensure period. To accommodate licensure candidates who may be initially licensed after the start of licensure period, it is felt to be necessary and reasonable to allow those individuals to pay a fee that is proportionately reduced.

Subp. 3. It is necessary to specifically set license renewal and expiration dates. It is reasonable to use the same dates as are currently in use.

Subp. 4. See attached Department of Finance approval of the board request to increase the renewal penalty from \$20 to \$30 per annum. Since the renewal period will be two years, it is reasonable to set the penalty fee at \$60 to cover both years.

Subp. 5. It is expensive for the board to go through the formal process of suspending licensees for non-payment. Through their own carelessness or lack of initiative in renewing their license in a timely manner, an occasional licensee, after ignoring at least four requests, will have their license suspended and then decide they want to be licensed after all. The board feels it is necessary and reasonable to recoup at least a partial amount of the expenses incurred by the board.

9100.0600 Miscellaneous Fees

Subpart 1. See attached Department of Finance approval of the board request to raise temporary license fees from \$40 to \$50, which brings the temporary fee into line with regular licensure fees.

Office Memorandum

Department: of Finance

Date: March 29, 1995

To: Roland C. Olson, DVM
Executive Director, Board of Veterinary Medicine

From: Michelle Harper 
Budget Operations

Phone: 296-7838

Subject: Departmental Earnings Rate Change Response-License Fee Changes

Pursuant to provisions of Laws 1993, sec. 56, subd. 5 (M.S. 16A.1285), the Department of Finance has reviewed and approved the attached departmental earnings proposal submitted by the MN Board of Veterinary Medicine on 3/20/95. If you have any questions or concerns, please call me at the above number.

cc Bruce Reddemann
Dwight Pederson

Department of Finance
Departmental Earnings: Reporting/Approval

Part A: Explanation

Earnings Title: Board of Veterinary Medicine	Statutory Authority: 156.07 & 156.03	Date: March 20, 1995
Brief Description of Item: <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;">Annual License Renewal Fee</div> <div style="width: 30%;">Reinstatement Fee</div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;">Late Renewal Penalty Fee</div> <div style="width: 30%;">Examination Fee</div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;">Temporary License Fee</div> </div>		
Earnings Type (check one): 1. <input type="checkbox"/> Service/User 2. <input type="checkbox"/> Business/Industry Regulating 3. <input checked="" type="checkbox"/> Occupational Licensure 4. <input type="checkbox"/> Special Tax/Assessment 5. <input type="checkbox"/> Other (specify):		
Submission Purpose (check one): 1. <input checked="" type="checkbox"/> Chap. 14 Review and Comment 2. <input type="checkbox"/> Approval of Allowable Inflationary Adjustment 3. <input type="checkbox"/> Reporting of Agency Initiated Change in Departmental Earnings Rate 4. <input type="checkbox"/> Other (specify):		
If reporting an agency initiated action (option 3 above), does agency have explicit authority to retain and spend receipts? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, cite pertinent statutes:		
Impact of Proposed Change (For rate changes included in the biennial budget, reference page number. For rate changes not included in the biennial budget, reference authority to make such changes.) Reference Page C-606, Biennial Budget The Board of Veterinary Medicine is proposing an increase of \$10 to the annual license renewal fee, a \$10 increase to the late renewal penalty, and a \$10 increase to the temporary license fee. Licensing fees were last adjusted in 1990. Fees for the two national examinations will be increased by \$65 each to cover an increase of that same amount in the cost to the board for the exams. Impact of each fee is shown below.		
<u>License Renewal Earnings Rate</u> Current: 2800 x 40 = 112,000 Proposed: 2800 x 50 = 140,000	<u>Late Renewal Penalty</u> Current: 200 x 20 = 4,000 Proposed: 200 x 30 = 6,000	<u>Temp. License</u> Current: 30 x 40 = 1200 Proposed: 30 x 50 = 1500
<u>National Board Examination</u> Current: 100 x 125 = 12,500 Proposed: 100 x 190 = 19,000	<u>Clinical Competency Test</u> Current: 100 x 90 = 9,000 Proposed: 100 x 155 = 15,500	<u>Reinstatement Fee</u> Current: -0- Proposed: 10 x 50 = 500
<u>State Jurisprudence Exam</u> Current: 140 x 35 = 4,900 Proposed: 140 x 50 = 7,000		
Current Unit Rate(s):	Proposed Unit Rate(s):	

Department of Finance

Departmental Earnings: Reporting/Approval (Cont.)

(\$1,000,000 = 1,000)

Part B: Fiscal Detail

APID: 21517:00-17		AID: 941898	Rev. Code(s): 310		<input type="checkbox"/> Dedicated <input checked="" type="checkbox"/> Non-Dedicated <input type="checkbox"/> Both		
Item	F.Y. 1993 Act.	F.Y. 1994 Act.	F.Y. 1995 Est.	F.Y. 1996 As Shown in Biennial Budget	F.Y. 1997 As Shown in Biennial Budget	F.Y. 1996 As Currently Proposed	F.Y. 1997 As Currently Proposed

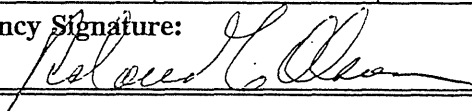
REVENUES:

Bd. of Veterinary Med.	135	139	146	183	191	183	191

EXPENDITURES:

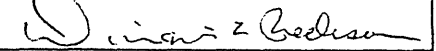
Direct	104	106	110	142	151	142	151
Indirect	16	40	37	43	49	43	49
Total	120	146	147	185	200	185	200
Current Deficit/Excess	15	(7)	(1)	(2)	(9)	(2)	(9)
Accumulated Excess/Deficit*	25	18	17	15	6	15	6

Agency Signature:



Executive Budget Officer:

Approval Date:



* F.Y. 1993 beginning accumulated balance to include amount of accumulated excess/deficit (if any) carried forward from F.Y. 1992. As necessary, attach detailed schedule/listing of proposed changes in departmental earnings rates.