



1 BOARDS AND COMMISSIONS

2 Kentucky Board of Veterinary Examiners

3 (Amended After Comments)

4 201 KAR 16:516. Fees – other fees.

5 RELATES TO: KRS 321.235(1)(c)~~[321.240, 321.201]~~

6 STATUTORY AUTHORITY: KRS 321.235(1)(c)~~[321.201(1),]~~~~[321.235(3), 321.240(5)]~~

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 321.235(1)(c) ~~[KRS 321.240(5)]~~

8 authorizes the Kentucky Board of Veterinary Examiners to promulgate administrative regulations  
9 as it may deem necessary and proper to effectively carry out and enforce the provisions of KRS  
10 Chapter 321, including regulations to establish authorized fees. ~~[KRS 321.201(1) authorizes the~~  
11 ~~board to issue a special permit for the practice of veterinary medicine and to require a fee~~  
12 ~~for the permit.]~~ This administrative regulation establishes fees for various services provided by  
13 the board ~~[and the fee for a special permit].~~

14 Section 1. Payment and Submission of Fees.

15 (1) Fees to the board shall be paid by check or money order, or, if available, online  
16 payment by debit or credit card. Checks and money orders shall be made payable to the  
17 Kentucky State Treasurer.

18 (2) All fees shall be nonrefundable.

19 Section 2. ~~[Fees for Special Permits:]~~

20 ~~[(1)] [The fee for a special permit issued by the board pursuant to KRS 321.201 shall be~~  
21 ~~fifty (50) dollars.]~~

1           ~~[(2)] [The fee shall be attached to either the Application for Licensure as a Veterinarian~~  
2 ~~form as found in 201 KAR 16:540 or the Application for Retake of the NAVLE form as found in~~  
3 ~~201 KAR 16:530 or online equivalent forms.]~~

4           ~~[Section 3.] Fees for License Verification Letters and Letters of Good Standing.~~

5           (1) The fee for a license verification letter or a letter of good standing shall be thirty  
6 ~~(30)[ten (10)]~~ dollars per jurisdiction per request.

7           **(a) Except as provided for in paragraph (b) of this subsection, the [The] fee shall be**  
8 **attached to a Request for Licensure Verification form or online equivalent form.**

9           **(b) The board may accept orders for licensure verification letters without the**  
10 **required form from the American Association of Veterinary State Boards (AAVSB) on**  
11 **behalf of licensees requesting the letter through the AAVSB VAULT Transfer program,**  
12 **billed by invoice on a periodic basis at the same rate as individual requests.**

13           (2) Upon receipt of the request and payment, the board shall issue the requested letter and  
14 complete any forms required by regulatory bodies in other jurisdictions.

15           Section 3.~~[Section 4.] Fees for Board Credential Holder Mailing Lists.~~

16           (1)

17           **(a) The fee for a request to obtain a copy of the mailing list for a commercial purpose[~~of~~**  
18 **the board's licensees] shall be sixty (60)[fifteen (15)] dollars.**

19           **(b) The fee for a request to obtain a copy of the mailing list for a non-commercial purpose**  
20 **shall be thirty (30) dollars.**

21           **(c) The board shall not charge a fee to obtain a copy of the mailing list for the first three**  
22 **(3) requests in a calendar year to the Kentucky Veterinary Medical Association (KVMA),~~[or]~~ its**  
23 **constituent in-state VMAs , or Kentucky state universities.**

1           (2) The fee shall be attached to a Request for Mailing List form or online equivalent  
2 form.

3           (3)~~(2)~~ Within thirty (30) calendar days of~~[Upon]~~ the receipt of the request and payment,  
4 the board shall send a current credential holder~~[licensee]~~ mailing list to the requesting party.

5           Section 4.~~[Section 5.]~~ Fees for Duplicate Wall Certificates and Laminated Credentials.

6           (1) The fee for a duplicate wall certificate, including the board's seal, ~~[or a new laminated~~  
7 ~~wallet-sized card,]~~ shall be thirty (30)~~[ten (10)]~~ dollars.

8           (2) The fee for a new laminated wallet-sized card shall be thirty (30) dollars.

9           (3) The fee shall be attached to a Request for Printed Credentials form or online  
10 equivalent form.

11           Section 5. Request for Continuing Education Approval. The fee for an applicant to obtain  
12 board approval as Approved program of continuing education shall be fifty (50) dollars paid  
13 directly to the board and attached to the Request for Continuing Education Approval form as  
14 found in 201 KAR 16:590 or online equivalent form.

15           Section 6. Fees for Processing Payments.

16           (1) The board may require a reasonable service charge for processing any payments  
17 submitted online or in paper form. The fees shall be calculated as a percentage of the underlying  
18 fee and shall not be higher than the board's current contracted rate for payment processing  
19 services.

20           (2) Service charge fees shall be non-refundable.

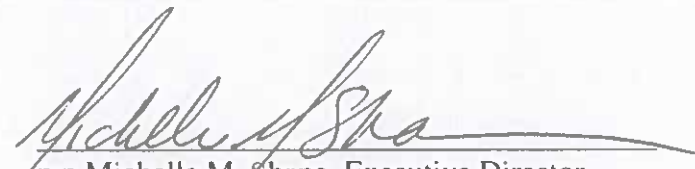
21           Section 7. Incorporation by Reference.

22           (1) The following material is incorporated by reference:

23           (a) "Request for Licensure Verification", 8/2023~~[2/2020]~~;

- 1 (b) "Request for Mailing List", 8/2023[2/2020]; ~~and~~  
2 (c) "Request for Printed Credentials", 8/2023[3/2020]; and  
3 (d) "Request for Continuing Education Course Approval", 8/2023.

4 (2) This material may be inspected, copied, or obtained, subjected to applicable copyright  
5 law, at the Kentucky Board of Veterinary Examiners, 107 Corporate Drive, Frankfort, Kentucky  
6 40601, Monday through Friday, 8:30 a.m. ~~[8:00 a.m.]~~ to 4:30 p.m. This material may also be  
7 obtained at [www.kybve.com](http://www.kybve.com).

  
p.p Michelle M. Shane, Executive Director  
on behalf of John C. Park, DVM, Board Chair  
Kentucky Board of Veterinary Examiners

11/13/2023  
Date

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: Michelle Shane, Executive Director

Phone: 502-782-0273

Email: michelle.shane@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This administrative regulation establishes the fees for services provided from the Kentucky Board of Veterinary Examiners (KBVE), including licensure verification to other jurisdictions, printed credentials, review of requests to approve continuing education courses, and processing fees for online transactions.

(b) The necessity of this administrative regulation:

This regulation is necessary to establish the fees that the Kentucky Board of Veterinary Examiners (KBVE) approves additional services, as mandated in KRS 321.235(1)(c).

(c) How this administrative regulation conforms to the content of the authorizing statutes:

KRS 321.235 mandates that the board administer and enforce KRS Chapter 321. KRS 321.235(1)(c), specifically require the board to charge fees for services provided by the board.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

This administrative regulation will assist in effective administration by clearly expressing what fees have been approved by the board in order to keep all mandated board programs operational and responsive to constituent needs.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

Updating statutory references to conform with the new Kentucky Veterinary Medicine Practice Act, KRS Chapter 321; updating fees which have only minimally changed in nearly 30 years to ensure that the board remains operational, efficient, and responsive to both the public and credential holder needs. These changes also assist the board in implementing new programs as mandated by the modernized Kentucky Veterinary Medicine Practice Act, KRS Chapter 321.

(b) The necessity of the amendment to this administrative regulation:

Changes are necessary to conform with the new Kentucky Veterinary Medicine Practice Act, KRS Chapter 321. The Kentucky Board of Veterinary Examiners has determined this amendment is necessary keep the board operational, and ensure adequate staffing levels to keep the board responsive to the needs of the public and credential holders. Costs for the board have increased, and it is necessary to raise fees to continue operations. These changes also assist the board in implementing new programs as mandated by the modernized Kentucky Veterinary Medicine Practice Act, KRS Chapter 321.

(c) How the amendment conforms to the content of the authorizing statutes:

KRS 321.235 mandates that the board administer and enforce KRS Chapter 321. KRS 321.235(1)(c), specifically require the board to charge fees for services provided by the board, including licensure verification to other jurisdictions, printed credentials, review of requests to approve continuing education courses, and processing fees for online transactions.

(d) How the amendment will assist in the effective administration of the statutes:

This amendment shall ensure transparency about the fees associated with services provided by the board .

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

2,680 veterinarians, 592 veterinary technicians, future applicants, and former credential holders.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment:

Applicants will be required to have paid the fee prior to the KBVE providing services for licensure verification to other jurisdictions, printed credentials, review of requests to approve continuing education courses, and processing fees for online transactions.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3):

No costs are associated with compliance, as this is a prerequisite for administered services.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3):

Administrative ease of clear communications of the fees associated with licensure.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: The KBVE expects costs for all board operations to be approximately \$575,000 annually in the near term.

(b) On a continuing basis: The board expects costs for all board operations to be approximately \$750,000 annually in the future as new programming is brought online, per the mandates in the modernized Kentucky Veterinary Medicine Practice Act, KRS Chapter 321.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation:

Fees for the KBVE come from license, certificate, permit, and registration fees established in this filing and the other fee filings. The board does not receive any general funds.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

There is no anticipation of an increase in fees or needed funding to implement this administrative regulation, as the KBVE is already running an administrative program to provide these services. Costs for the board have increased, and it is necessary to raise fees to continue operations.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:

Fees are established directly.

(9) TIERING: Is tiering applied? (Explain why or why not)

No. All regulated entities have the same requirements.



FISCAL NOTE

Contact Person: Michelle Shane, Executive Director  
Phone: 502-782-0273  
Email: michelle.shane@ky.gov

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation?

The Kentucky Board of Veterinary Examiners (KBVE).

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 321.235(3), 321.240(5)

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year?

This filing will generate approximately \$18,000 on an annual basis.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years?

This filing will generate approximately \$18,000 on an annual basis.

(c) How much will it cost to administer this program for the first year?

This is not a new program. The KBVE expects costs for all board operations to be approximately \$575,000 annually in the near term.

(d) How much will it cost to administer this program for subsequent years?

The board expects costs for all board operations to be approximately \$750,000 annually in the future as new programming is brought online, per the mandates in the modernized Kentucky Veterinary Medicine Practice Act, KRS Chapter 321.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): +\$18,000 annually

Expenditures (+/-): -\$750,000 annually

Other Explanation: Additional expenses are anticipated by the KBVE

(4) Estimate the effect of this administrative regulation on the expenditures and cost savings of regulated entities for the first full year the administrative regulation is to be in effect.

(a) How much cost savings will this administrative regulation generate for the regulated entities for the first year?

There will be no cost savings; this amendment simply codifies the requirements, making them easily accessible for regulated entities.

(b) How much cost savings will this administrative regulation generate for the regulated entities for subsequent years?

There will be no cost savings.

(c) How much will it cost the regulated entities for the first year?

There will be additional costs involved to request services from the board, including licensure verification to other jurisdictions, printed credentials, review of requests to approve continuing education courses, and processing fees for online transactions. KBVE fees have only minimally changed in the past 30 years; the increase in fees is to ensure that the board remains operational, efficient, and responsive to both the public and licensee needs, while also implementing new programs as mandated by the modernized Kentucky Veterinary Medicine Practice Act, KRS Chapter 321. Costs for the board have increased, and it is necessary to raise fees to continue operations.

(d) How much will it cost the regulated entities for subsequent years?

The costs established in this regulation will be consistent in subsequent years. KBVE fees have only minimally changed in the past 30 years; the increase in fees is to ensure that the board remains operational, efficient, and responsive to both the public and licensee needs, while also implementing new programs as mandated by the modernized Kentucky Veterinary Medicine Practice Act, KRS Chapter 321. Costs for the board have increased, and it is necessary to raise fees to continue operations.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Cost Savings (+/-): None.

Expenditures (+/-): -\$750,000 annually

Other Explanation: Additional expenses are anticipated by the KBVE

(5) Explain whether this administrative regulation will have a major economic impact, as defined below. *“Major economic impact” means an overall negative or adverse economic impact from an administrative regulation of five hundred thousand dollars (\$500,000) or more on state or local government or regulated entities, in aggregate, as determined by the promulgating administrative bodies. [KRS 13A.010(13)]*

This amendment shall not have a “major economic impact”, as defined in KRS 13A.010(13).

STATEMENT OF CONSIDERATION

Relating to 201 KAR 16:516

Kentucky Board of Veterinary Examiners  
(Amended After Comments)

I. The public hearing on 201 KAR 16:510, 201 KAR 16:512, 201 KAR 16:514, and 201 KAR 16:516, scheduled for October 24, 2023, at 1:00 p.m. at the Office of the State Veterinarian, 107 Corporate Drive, Frankfort, KY 40601, was held, and written comments were received during the public comment period.

II. The following people either attended the hearing, submitted written comments, or both:

Name and Title	Agency / Organization / Entity / Other
James C. Allen, DVM	Locum veterinarian (Science Hill, KY)
James Beckman, DVM	Gas Light Equine (Westport, KY)
Mark Brengelman, Attorney and Legal Counsel for the Board	Kentucky Board of Veterinary Examiners (KBVE) (Frankfort, KY)
Ashley Book, Director	Louisville Metro Animal Services (Louisville, KY)
Amanda C. Briggs	KBVE Board Staff (Frankfort, KY)
Jason A. Burcham, DVM	Tri Point Veterinary Clinic (Hebron, KY)
Johanna Choate, DVM	Choate Veterinary Services (Almo, KY)
Thomas M. Dorman	KBVE Board Member (Frankfort, KY)
Dale R. Eckert, DVM	KBVE Board Member (Versailles, KY)
Tim R. Gardner, DVM	KBVE Board Member (Scottsville, KY)
Brandy Glaza, Hospital Manager	Licking Valley Veterinary Services (Butler, KY)
Nathan Glaza, DVM	Licking Valley Veterinary Services (Butler, KY)
Linda K. Grimes, DVM, on behalf of the ACAB	Animal Control Advisory Board (Frankfort, KY)
Debra Hamelback, Executive Director on behalf of Members of the KVMA Board	Kentucky Veterinary Medical Association (KVMA) (statewide)
Robert B. "Chip" Harkins, LVT, and on behalf of KVTA	Crescent Hill Animal Hospital (Louisville, KY) and Kentucky Veterinary Technician Association (KVTA) (statewide)
John A. Keith, DVM, MBA, MEcon	Crossroads Veterinary Clinic, LLC (Versailles, KY)
Mike McNutt, AES, and on behalf of KACCA	Hardin County Animal Control (Elizabethtown, KY), and Kentucky Animal Care and Control Association (KACCA) (statewide)
John C. Park, DVM	KBVE Chairman (Lexington, KY)

Jen Quammen, DVM  
Stephanie W. Raispis, DVM  
Michelle Shane, Executive Director  
Debra K. Shoulders, DVM  
Tammy T. Smith, DVM  
Jon M. Todd, DVM  
R. Steven Velasco, III, DVM

Locum veterinarian (Walton, KY)  
Wilderness Trace Vet Clinic (Junction City, KY)  
KBVE Board Staff (Frankfort, KY)  
House Calls for Paws & Claws (Bowling Green, KY)  
Knox County Veterinary Services (Barbourville, KY)  
Logan County Animal Clinic (Russellville, KY)  
Kentucky State Veterinarian (statewide), and KBVE  
Board Member as proxy for the KDA Commissioner  
of Agriculture (Versailles, KY)  
Luna Veterinary Services (Mayfield, KY)

Laura E. Williams, DVM

III. The following people from the promulgating administrative body responded to the written comments:

Name and Title

John C. Park, DVM, Chairman of the Board  
Gene Smith, DVM, Vice Chair of the Board  
Dianne J. Dawes-Torres, DVM, Board Member  
Thomas M. Dorman, Citizen-at-Large, Board Member  
Dale R. Eckert, DVM, Board Member  
Tim R. Gardner, DVM, Board Member  
Stephanie M. Kennedy, DVM, Board Member  
Amy J. Staton, EdD, LVT, Board Member  
Steven J. Wills, DVM, Board Member  
Michelle M. Shane, Executive Director  
Mark R. Brengelman, Attorney and Legal Counsel for the Board

IV. Summary of Comments and Responses

(1) Subject Matter: General Comment – Proposed fee increases are too much – what does the board even need all that money for anyway?

(a) Comment: KVMA, Dr. Beckman, Dr. Raispis, Dr. Smith – The commentors requested information to see how the fee increases were calculated. One commentor asked, “Is there is fiscal budget for the board?... Does the board employ more than one person?” Multiple commentors stated that the Board should only have enough money to cover expenses. One commentor stated the increase in fees is more like a punishment for not getting information to the board on time. One commentor called for an audit of the Board. Another commentor asked if the fee increases needed to be so high given that new revenue streams were also coming online with the new programs (e.g., veterinary facility registrations, animal allied health professional permits, etc.) due to the 2023 modernization Kentucky Veterinary Medicine Practice Act.

(b) Response: The Kentucky Board of Veterinary Examiners (KBVE) responded to commentors as the comments were received, supplying information on the government’s biennial budgetary planning process, KBVE contracts and obligations, overhead costs, IT costs, revenue and expenditure reports, salary data, as well as future board needs related to staffing, database upgrades, digitization of files, and historical fee increases, etc., to anyone who

requested additional information. Moreover, some Members of the KBVE held a special meeting with the leadership of the Kentucky Veterinary Medical Association (KVMA) on August 31, 2023 by Zoom in order to walk through the budget process and answer any questions they had related to the KBVE's budget and projections, both long and short term. Commentors seemed satisfied when the information was presented, yet the KBVE notes that no profession is ever happy about an increase in fees.

As to historical fee increases, it should be noted that renewal fees for veterinarians in Kentucky have not increased since 2010 when the fees were raised 100% (from \$50 to \$100), and before that in 1990 when fees were raised 100% (from \$25 to \$50). For licensed veterinary technicians (LVTs), fees for renewal have been set at \$30 since 1992. For KBVE certified animal euthanasia specialists (AESs) and animal control agencies (ACAs), the fee for renewal has been set at \$50 since 2003. Since that time, not only has the Kentucky economy evolved substantially, but the state has also weathered recessions and inflation, all while the KBVE's contractual obligations related to overhead and required services have increased significantly. KBVE acknowledges its own failure to address appropriate and incremental fee increases under past leadership.

As part of the budgetary planning process and research into increased fees, KBVE reviewed national data from other veterinary licensing boards that had similar considerations and expenditures as the Kentucky board, as well as other medical boards within the Commonwealth. KBVE stresses that it is not appropriate to look at fees alone in other states for a cost comparison. Instead, it is necessary to also consider if those other state boards are merged or independent entities (i.e., shared costs with other agencies vs. all costs shouldered by an independent agency), how many programs or license types are administered, how many licensees exist to share costs, how frequently renewal costs are assessed, the different staffing and other contractual relationships, etc. The budgetary planning process is multifactorial.

In summary of the budget, the KBVE is an independent medical board with only two (2) full-time staff. KBVE maintains eight (8) contracts for needed administrative services, including office space, staff and services for HR, Budget, and IT, as well as website design and maintenance, contractors for investigative services, legal counsel, euthanasia-by-injection course offerings, and separate agreements for a licensure database and its required maintenance and upgrades, etc. Running and maintaining an agency is not inexpensive. KBVE is currently allotted \$525,000 in expenditures annually, with all expenditures coming from revenue generated by licensing fees. With the passage of the modernized Kentucky Veterinary Medicine Practice Act (KRS Chapter 321, effective June 29, 2023), there will be an increase in programming offered by the Board, bringing on four (4) new programs that will cost additional revenue to operate, as well as large investments in database upgrades to accommodate the digitization of the new programs and additional staff.

One of the primary budgetary issues to solve is the fact that KBVE does not have an even revenue stream; this has made communications about KBVE's bottom line challenging. A bottom line is not a budget. The bulk of KBVE's revenue comes during fiscal years (F.Y.s) ending in odd numbers. In F.Y.s ending in even numbers, KBVE revenue is only approximately \$80,000: this is far less than the appropriation needed to administer the Board's annual expenses. Therefore, KBVE carries forward a large reserve balance to accommodate for lack of revenue in

even F.Y.s, and to reserve money for legal expenses, capital upgrades, and other administrative needs.

Historically, pursuant to KRS 321.240(5) prior to modernization, “Fees may not exceed amounts necessary to generate sufficient funds to effectively carry out and enforce the provisions of this chapter” In the modernized law, pursuant to KRS 321.234(1)(c), “Fees may not exceed amounts necessary to generate sufficient funds to effectively carry out and enforce the provisions of this chapter, including costs related to administration; overhead; staffing; information technology; investigations; inspections; administrative procedures; court costs; supplies; equipment; travel; educational awards; reserve funds for capital, operational, and programmatic expenses; and education and outreach efforts”. Further, pursuant to KRS 321.320(4), the board shall keep and maintain a reserve fund for capital, operational, and programmatic expenses.

Current expenditures of the board exceed revenue and are consuming the little reserve the KBVE has in its accounts. Raising fees is necessary so that KBVE may hire and retain enough staff to operate all programming mandated by the General Assembly, and so the agency does not end up in the red in the next biennium.

In response to this comment, KBVE determined to phase in fee increases so that licensees will be better able to manage the increases and not be caused undue stress. Additionally, KBVE is offering changes to the proposed administrative regulation amendment to ensure that future regulatory reviews by the KBVE shall cause any future fee increases to be planned incrementally.

(2) Subject Matter: General Comment – KBVE’s need for increased salaries and staff

(a) Comment: Dr. Beckman, Dr. Smith – The commentators stated that the explanations for a fee increase included the need for additional staff and an increase in salary for the executive director for retention purposes. One commentator stated, “Kentucky salaries and income in any sector of veterinary medicine has historically been lower than national averages. That’s accepted when we choose to live and work in Kentucky and should be considered along with cost of living. It was also my understanding that the facility registration program would pay for itself via the fees charged to the facility. Are our licensing fee increases being influenced by this program?”

(b) Response: The salary of the KBVE staff does not fall within the practice of veterinary medicine. The Board’s staff are civil servants and employees of the Commonwealth of Kentucky, salaries that are not appropriately comparable to the veterinary medical professions. The KBVE conducted a salary analysis which included executive directors from all other U.S. jurisdictional licensing boards for veterinary medicine, as well as salaries for executive directors for other independent licensing boards in Kentucky, most of which are medical boards. KBVE examined the raw data from the 2022 Member Board profile survey published by the American Association of Veterinary State Boards (AAVSB). During a budget analysis of this data for the 20 other independent licensing boards, including factors like number of licensees, number of agency employees, annual budget, and salary point for executive directors, KBVE discovered that the Board’s executive director pay is among the lowest in the nation. While salaries in Kentucky overall are acknowledged to be somewhat lower than in other areas of the United States, KBVE employees are still underpaid for their profession in this state. In comparison to 16 other independent Kentucky professional licensing boards, KBVE’s executive director pay is

among the lowest in the commonwealth. Despite a lesser compensation package, KBVE's current executive director has assisted the Board with a successful and complete update to the Kentucky Veterinary Medicine Practice Act in 2023, something that has not been accomplished in nearly 40 years. Additionally, the executive director helped the Board navigate updates to all KBVE administrative regulations, including a complete modernization in 2020 as well as the current initiative underway comprising updates as a result of the passage of 23 RS HB 167, both for the current suite of regulations and regulation development and stakeholder work for four (4) new programs. KBVE would like to retain this director for the Board and benefit of the professions it governs.

Further, the forthcoming facility registration fees were used in calculations of revenue and expenditures projections over the next several bienniums. In order to keep proposed facility registration fees low and to honor discussions held during negotiations with the KVMA during the revisions to the Practice Act, the KBVE adjusted fees for all credentials as needed to collectively fund the agency for all its mandated programming.

In response to this comment, KBVE declined to make changes to the proposed administrative regulation amendment.

(3) Subject Matter: General comment – Inflation rates, other tax burden, and licensing fee increases all at once

(a) Comment: KVMA, Dr. Beckman, Dr. Choate, Dr. Glaza, Ms. Hamelback, Ms. Hamilton, Mr. Harkins, Dr. Smith, Dr. Williams – The commentors stated, the initial proposed fees appear to be a doubling, and that this is too much of an increase in too short a period of time. The KVMA stated that while they understand that costs have increased and that an increase in fees is necessary, any increase in fees should be spread out and they should not be raised all at once. They further state that this phasing in may need to occur with all fees for all the licenses of the board. One commentor cited the national inflation rate for the U.S., stating, "According to the US Department of Labor as of August 2023 inflation is 3.2%. While we all know that is not an accurate number, is it 100%?" One commentor states that the tax burden is already unfair because of the small animal services tax that veterinarians are now required to pay. One commentor stated that, in particular for licensed veterinary technicians (LVTs) who only make \$10-18 per hour, the fee increase is a terrible burden. They cite that often the veterinary facility they work for does not pay for their licensing fees. Some commentors state that this increase will drive licensees from the profession. One commentor stated that if no changes were made to the newly proposed 201 KAR 16:750, then KBVE may as well abolish LVT licensing and fees because there is no point to a license if there is no difference between an LVT and a veterinary assistant. Some commentors do acknowledge that an increase in fees is necessary, however they indicated that any increase in fees should be spread out and they should not be raised all at once.

(b) Response: It should be noted that KBVE has no authority to dictate to businesses that they must pay the professional licensing fees of their employees.

Additionally, the taxes assessed on veterinary services were put in place by the General Assembly as the legislative body moves the commonwealth away from income tax. KBVE was not in any way involved in the passage of that tax, and the Board is not provided with any of the revenue.



Please refer to budgetary details for the agency in the response to Subject Matter (1). KBVE acknowledges its own failure to address appropriate and incremental fee increases in the past. However, both the current cost of doing business and the passage of a modernized KRS Chapter 321 requires an increase in fees in order for the Board to adequately administer current and new programming, as determined through extensive research and six (6) year budget projections. In response to these comments, KBVE determined to phase in fee increases so that licensees will be better able to manage the increases and not be caused undue stress.

(4) Subject Matter: General comment – Fee increases will drive veterinarians and LVTs to stop practicing

(a) Comment: Mr. Harkins, Dr. Williams – The commentors declare that an increase in fees will cause many licensees to leave the professions of veterinary medicine. One commentor stated that “Kentucky is the 6th most impoverished state in our country, and the median household income is approximately \$55,000. Veterinary pricing must reflect that. If these fees increase significantly, veterinary clinics that do pay the fees for their veterinarians and LVTs [sic] are left with no choice but to increase cost of care. I do not believe that our citizens can further support increasing costs. They are already having to pay more for medications due to inflation. I am afraid that these price increases are only going to drive our veterinarians and LVTs to either leave Kentucky or leave the field of veterinary medicine in general.”

(b) Response: KBVE notes that there has not been an increase in licensing renewal fees for veterinarians since 2010, and none for LVTs since 1992. It should also be noted that nine (9) Members of the eleven (11) Members of the Board also pay these same licensure fees. Licensed professionals incur the cost of licensure to be eligible to do business in any jurisdiction, and those fees go to the administration and enforcement of the governing practice act for the profession. It is unreasonable to demand KBVE not raise fees when the cost of business for the Board has substantially increased in the past five (5) years and is scheduled to increase again with the onboarding of new programming from 23 RS HB 167. It costs money to do business. KBVE acknowledges its own failure to address appropriate and incremental fee increases in the past. However, increases are needed now and in the future. Members of the KBVE do not believe that the needed fee increases will drive anyone away obtaining a license from the KBVE and working in Kentucky. In response to this particular comment, KBVE declined to make any changes to the proposed administrative regulation amendment.

(5) Subject Matter: General comment – Comparison of fees to other state’s fees

(a) Comment: Mr. Harkins, Dr. Smith – The commentors stated that they conducted informal research of surrounding states and determined that licensing fees were lower in all other areas. One commentor stated that veterinarian renewal fees only cost \$100 - \$200 dollars. One commentor stated that the proposed fee increases would place Kentucky LVT fees higher than any other state except Tennessee. The commentors stated that an increase in licensing fees would be a deterrent to luring more veterinarians and LVTs to work in Kentucky.

(b) Response: The budgetary planning process is multifactorial. KBVE stresses that it is not appropriate to look at fees alone in other states for a cost comparison. Instead, it is necessary to also consider if those other state boards are merged or independent entities (i.e., shared costs with other agencies vs. all costs shouldered by an independent agency), how many programs or

license types are administered, how many licensees there are to share costs, how frequently renewal costs are assessed, the different staffing and other contractual relationships, etc. Additionally, Kentucky requires agencies to pay additional costs toward employee retirement at ratios not shared by other states.

The American Association of Veterinary State Boards (AAVSB) published a Member Board Profile Survey in 2022, and KBVE obtained the raw results of that survey to look into the details of other state fees. When looking at U.S. regulatory boards governing the professions of veterinary medicine, KBVE extracted data from the survey for those boards most closely resembling the Kentucky board. KBVE is an independent board, with currently two (2) staff and the pending hiring of at least one (1) additional full-time employee. The agency administers seven (7) credential types including veterinarians, and currently has approximately 3,400 licensees with an estimated 600 additional to be onboarded by June 30, 2025. KBVE also considered other factors including annual operating budget.

Based on the AAVSB data, there are 20 states with independent veterinary medical boards, with operating costs ranging from \$100,000 annually (North Dakota with fewer than 500 licensees) to more than \$4 million (California with more than 30,000 licenses, and Florida with between 2,000-4,000 licenses). It should be noted that some of Kentucky's nearest neighbors, including Indiana and Tennessee, are merged boards and so have reduced administrative costs. Even so, Tennessee assesses a biennial renewal fee for veterinarian licensees of \$370. Other neighboring boards, such as West Virginia, charge \$250 per year (i.e., \$500 biennially).

Following a complete analysis, the data reveals that Kentucky's current fee schedule is one of the lowest in the nation. The proposed fee changes for veterinarian renewal (which is the bulk of KBVE's revenue) will bring Kentucky closer to the median amount charged (\$365), and still below the mode amount charged (\$500) in these 20 other jurisdictions.

When looking at the same state boards used in the analysis of the veterinarian fees, KBVE also looked at fees for LVTs. Not all jurisdictions currently regulate licensed veterinary technicians, so the data is narrower. Some states like Alabama charge \$75 per year for annual renewal of LVTs, while Ohio charges \$35 and Tennessee charges \$50. Overall, from the states assessed, the median amount for renewal of LVTs was reported as \$35 per year. KBVE is proposing a slight increase to the LVT renewal fee, but nothing out of line with what is assessed in fees across the United States. In response to this comment, KBVE declined to make any changes to the proposed administrative regulation amendment.

(6) Subject Matter: General Comment – Fee increase is too much – this increase in fees is going to result in tremendous increase in prices that are passed onto clients

(a) Comment: Dr. Burcham, Dr. Williams – The commentators stated that the proposed fee increases will be bad for veterinary medicine and cause an increase in the costs for patient care. One commentator stated, "This is not human medicine and our prices reflect that now. However many of these changes are going to drive the cost of veterinary care up through the roof. More fees, more qualified employees, these things are going to cause a negative effect on the care animals receive due to the higher costs that will be needed to support these changes".

(b) Response: KBVE notes that there has not been an increase in licensing renewal fees for veterinarians since 2010, and none for LVTs since the license was created in 1992. It should also be noted that nine (9) Members of the eleven (11) Members on the Board also pay these

same licensure fees. Members of the KBVE note that the revenue from one (1) extra spay or neuter per year would be enough to cover the cost of the proposed fee increase for each veterinarian. Members of the KBVE do not believe there should be any undue rise in the costs of services to clients to accommodate this fee increase. KBVE does acknowledge that the current economic climate has caused an increase in the cost of doing business as well as increased costs related to hiring and retention of competent staff. However, the fees charged by KBVE to administer the licensure programs for veterinary medicine are minimal in comparison to the cost of doing business. The state of the economy and costs related to hiring are outside KBVE's scope of authority. In response to this particular comment, KBVE declined to make any changes to the proposed administrative regulation amendment.

(7) Subject Matter: Necessity, Function, and Conformity statement

(a) Comment: Ms. Shane – During final review of this regulation, the commentor noted an incorrect reference to the statutory authority cited in the necessity, function, and conformity statement.

(b) Response: In response to this comment, KBVE made changes to the proposed administrative regulation amendment.

(8) Subject Matter: Necessity, Function, and Conformity statement

(a) Comment: Ms. Shane – During final review of this regulation, the commentor noted language that should be removed as it referenced a fee for veterinarians was moved to 201 KAR 16:510.

(b) Response: In response to this comment, KBVE made changes to the proposed administrative regulation amendment.

(9) Subject Matter: General comment – there should not be any exceptions – the regulations should be enforced against everyone, no exceptions

(a) Comment: Dr. Keith – The commentor stated that if the board is going to make regulations effective, then the regulations need enforced against everyone, “All offices, clinics and hospitals”.

(b) Response: KBVE acknowledges the need to appropriately and effectively enforce KRS Chapter 321 and 201 KAR Chapter 16 in the interest of public protection and as mandated by KRS 321.175 and 321.235. This is part of the reason why fees need increased, due to increased investigative and legal costs. KBVE has spent the past several years with a focus on updating the law so that expectations for licensees are clear and accessible, and so that clients know what they can expect. The intent of the Board is to enforce all provisions of the Kentucky Veterinary Medicine Practice Act. In response to this comment, KBVE declined to make any changes to the proposed administrative regulation amendment.

(10) Subject Matter: General comment – Fees as related to veterinary facility inspections

(a) Comment: Dr. Mickey – The commentor expressed their disappointment about the need for any fees related to veterinary facility registrations given that the final version of the new practice act made inspections only a voluntary option related to registration. They stated, “We were told the purpose of facility registration is to protect the consumer and existing veterinary

practices. Without compulsory inspection what justifies any fee at all. A fee for what?! How does voluntary inspection protect my practice from unscrupulous veterinarians?" Further, the commentor stated, "Let's do this right and actually do something useful and productive for our communities and the \$100 fee. Please reconsider and reinstate the mandatory inspection."

(b) Response: While this proposed administrative regulation does not address veterinary facility fees, future filings by the board will address the four (4) new programs created by the modernized Kentucky Veterinary Medicine Practice Act (KRS Chapter 321), which does include fees related to facility registrations. Veterinary Facility registration and the fees for voluntary inspections shall be addressed in those future filings. A fee is required for the facility registrations to offset costs related to overhead, staffing, and most critically database upgrades and maintenance. In response to this comment, KBVE declined to make any changes to the proposed administrative regulation amendment.

(11) Subject Matter: Notification procedures on the filing of the administrative regulations were inadequate

(a) Comment: Dr. Todd – The commentor was upset that the KBVE did not send notification to the entire licensee population when these regulations were filed.

(b) Response: KBVE sent notification within one (1) business day to those entities required by law in KRS 13A.270, those on the RegWatch list, and to the Kentucky Veterinary Medical Association (KVMA). Subsequently, KVMA sent an email blast to its Membership. Additionally, the KBVE posted the filings on its website within 24 hours of filing. KBVE notified Dr. Todd how to sign-up for RegWatch notifications, but he had not done so by the time of this SOC filing. KBVE did not send out an email blast to all licensees about these filings because the board did not want to foster confusion amongst the licensee population about when requirements would become effective. Nonetheless, some commentors still interpreted the filings as new rules which they needed to follow immediately, rather than a filing that was still in the public comment phase and not yet effective. In response to this comment, KBVE declined to make changes to the proposed administrative regulation amendment.

## V. Summary of Statement of Consideration and Action Taken by Promulgating Administrative Body

The public hearing on this administrative regulation was held and written comments were received. The Kentucky Board of Veterinary Examiners responded to the comments and amends the administrative regulation as follows:

Page 1

Section NECESSITY, FUNCTION, AND CONFORMITY

Line 7

After "Conformity:", insert "**KRS 321.235(1)(c)**"

Delete "KRS 321.240(5)".

Page 1

Section NECESSITY, FUNCTION, AND CONFORMITY

Line 10-13

Delete “KRS 321.201(1) authorizes the board to issue a special permit for the practice of veterinary medicine and to require a fee for the permit”.

Delete “and the fee for a special permit”.

Page 2

Section 2(1)

Line 6

After “per jurisdiction”, insert the following:

**“per request.”**

**“(a) Except as provided for in paragraph (b) of this subsection,”**

Delete “The”.

Page 2

Section 2(1)

Line 7

After “or online equivalent form”, insert the following:

**“(b) The board may accept orders for licensure verification letters without the required form from the American Association of Veterinary State Boards (AAVSB) on behalf of licensees requesting the letter through the AAVSB VAULT Transfer program, billed by invoice on a periodic basis at the same rate as individual requests.”**

Page 2

Section 3(1)(c)

Line 16-17

After “VMAs”, insert “**, or Kentucky state universities**”

Delete “or”.