

TITLE 16. PROFESSIONAL AND VOCATIONAL REGULATIONS
Division 20. Veterinary Medical Board

Initial Statement of Reasons

Hearing Date: The Veterinary Medical Board (Board) has not scheduled a hearing on the proposed changes. However, a hearing will be scheduled upon request by any interested party if the request is received no later than 15 days prior to the close of the written comment period.

Subject Matter of Proposed Regulations: Fee Schedule

Emergency Regulations approved January 27, 2020, OAL File Number 2020-0117-01E

Sections Affected: Sections 2070 and 2071, Article 7, Division 20, Title 16 of the California Code of Regulations (CCR).

Background and Introduction:

The Veterinary Medical Board enforces the Veterinary Medicine Practice Act (Act) and oversees veterinary licensees, veterinary technician registrants, veterinary assistant controlled substance permit holders, and veterinary premises permits for the protection of the public and their animals. The Board submitted an Emergency Rulemaking File to the Office of Administrative Law (OAL) in January of 2020, which was approved on January 27, 2020. The Board is now submitting a new fee increase that was not a part of the Emergency rulemaking, along with the adopted Emergency rulemaking, rulemaking file, and certificate of compliance in accordance with the requirements of Government Code section 11346.1, subdivision (e).

In accordance with Business and Professions Code (BPC) Section 4800.1, the Board's highest priority is protection of the public in exercising its regulatory, licensing, inspection, and disciplinary functions. The Board is a self-supporting, special fund agency that generates its revenues from fees charged for licensing and registration. In order to perform its regulatory, licensing, inspection, and disciplinary functions, the Board must generate sufficient revenues from fees associated with licensing and registration. The Board is also required to maintain a Fund Condition reserve of no less than three (3) months and no more than ten (10) months of annual authorized expenditures. (BPC section 4905(o).)

Since Fiscal Year (FY) 2014-2015, Board revenue has not kept pace with its authorized expenditures, thereby creating a structural imbalance where the Board's Contingent Fund (i.e. "savings account") is declining. That is, the Board's revenues, on a FY basis, are less than its expenditures, creating a budget deficit. In order to make up for the operating budget deficit, the Board subsidizes its structural imbalance via funds from its Contingent Fund, which, in its current state, is declining and unable to subsidize the structural imbalance.

Despite a recent fee increase in 2018, the Board dropped below its statutorily mandated floor of not less than three months of annual authorized expenditures in FY 2017-2018, and it was projected to be completely insolvent in FY 2020-2021.

In its 2018 rulemaking package, the Board noted that the prior fee schedule increase was needed due to the following:

- *“Almost a 100% increase in consumer complaint volume and case processing from FY 2013-2014 to FY 2016-2017.*
- *Interdepartmental fee increases for the Attorney General’s Office (AG) and Office of Administrative Hearings (OAH).*
- *Legislative mandates to increase veterinary premises inspections to 20% of premises per year and to enact the Veterinary Assistant Controlled Substances Permit (VACSP) program.*
- *Revenues from the VACSP program have materialized at a slower rate than projected leading to a deficiency in needed revenue from the program.*
- *Increases to Personnel Services including general salary increases negotiated by the State and mandated health care and retirement contributions.*
- *Intradepartmental increases in pro rata including the Division of Investigation (DOI), Office of Professional Examination Services, and BreEZe database costs.*
- *Increases in Subject Matter Expert and Hospital Inspector contracted compensation.*
- *Increases in authorized staff positions from 12.8 in FY 2013-2014 to 23.8 in FY 2014-2015 and ongoing for the enforcement, premises inspection, and VACSP programs.”*

In addition, the Board explained that costs attributed to personnel, DOI, AG, and other general costs continued to climb, while increased enforcement workload contributed to higher expenditures specific to DOI, AG, and OAH.

With its 2018 fee increase, the Board attempted to conservatively raise fees in order to address its inadequate revenue and imminent insolvency. The Board intended to raise fees again in two years to the statutory maximum. However, that fee increase failed to meet the Board’s expectations, as it did not adequately address the decreasing fund, nor did it bring in the anticipated revenue. In addition, the fee increase proved even more inadequate due to abrupt and significant AG rate increases and an increase in enforcement workload.

As the Board’s costs associated with performing its core functions have risen sharply since that 2018 fee increase, the Board continues to experience a severe fiscal imbalance. This proposal would increase fees associated with veterinarian and university licensure and registered veterinary technician registrations so that the Board can continue to perform its core functions and properly protect the public.

Problem being addressed:

Typically, a board's revenue funds its total authorized expenditures for each FY¹. The majority of the Board's revenue is generated by charging fees for certain services provided by the Board, including application review fees, examination fees, miscellaneous fees, initial license fees, and license renewal fees. This revenue funds Board operations that include staffing, examination development, administrative and licensing operations, veterinary hospital inspections, and enforcement operations. The Board does not receive General Fund monies to support its operations.

In addition to revenue generated to fund its expenditures, the Board collects revenue to deposit into a Contingent Fund. The Board's Contingent Fund is mandated by the BPC² and funds operations when authorized expenditures are higher than revenue generated by fees.

Not all Board operations generate revenue for expenditures. For example, enforcement operations account for more than 60% of the Board's overall expenditures; however, there is no directly correlated revenue generated to fund these expenditures. For licensing boards, generally, licensing and renewal fees are charged at an appropriate level to fund licensing, administrative, and enforcement operations.

As noted above, with its 2018 fee increase, the Board explained the need for the increase. Additionally, in 2018, the Board provided the following detailed reasons for increased fees, which continue to support the Board's need for more revenue:

"Consumer Complaint Volume:

Between FY 2012-2013 and FY 2016-2017, the Board has seen a 100% increase in consumer complaints submitted annually against Board licensees from approximately 450 complaints filed in FY 2012-2013 to over 1,000 complaints submitted in FY 2016-2017. These additional consumer complaints have directly led to increased expenditures for investigations by DOI, filings of formal discipline with the AG, and conducting disciplinary hearings with OAH.

These additional expenditures required the Board to request (using a provision in the Governor's budget to request and obtain mid-FY increases to AG and OAH appropriations) and obtain a mid-FY 2016-2017 increase of an additional \$324,000 to its AG and OAH appropriations. Additionally, the Board was approved for a permanent appropriation increase of \$176,000 beginning in FY 2017-2018 and ongoing to its AG and OAH appropriations, in an attempt to satisfy increased expenditures and workload.

Increases to the Board's AG and OAH appropriations, however, have proven insufficient to fund the Board's growing workload and expenditures in FY 2017-2018 and beyond. For example, AG expenditures are projected at more than

¹ The State FY is July 1 through June 30.

² In accordance with BPC Section 4905, the Board's Contingent Fund shall not have less than 3 months or more than 10 months reserve of annual authorized expenditures in the Fund.

\$840,000 in the current fiscal year, whereas the Board has only appropriated \$560,000 for these expenditures. AG expenditures are projected to be fully expended by March 2018 and the Board is unable to redirect resources to fund the rising AG, OAH, and DOI costs, as the Board will fully expend all appropriated funding for all other cost areas.

Without additional revenue provided by a permanent fee schedule increase, the Board is severely limited in its ability to seek a mid-FY increase to its AG and OAH appropriations, similar to the Board's request and approval in FY 2016-2017, as there are inadequate funds in its Contingent Fund to support the adjustment. Consequently, the Board expects to exhaust its current enforcement appropriation as soon as March 2018 and will be forced to cease its disciplinary enforcement activities at that time, absent the proposed fee increase. By ceasing disciplinary proceedings, the Board will be unable to forward formal disciplinary complaints to DOI for investigation and cases to the AG's office for discipline. Investigations and cases sent to DOI and the AG's office include the most egregious violations of the Veterinary Medicine Practice Act that lead to license suspensions, probation, and license revocations. The Board will further be forced to cancel all Office of Administrative Law hearings that are scheduled 6-8 months in advance, delaying the adjudication of the most serious cases of consumer and animal harm and allowing dangerous practitioners to continue practicing veterinary medicine.

BreEZe Database Costs:

In FY 2011-2012, the Department of Consumer Affairs (DCA) contracted with an information technology vendor to provide all boards and bureaus within DCA a new integrated licensing, inspections, and enforcement database, BreEZe. BreEZe costs are paid by each board or bureau using the database. Through FY 2016-2017, BreEZe program costs to the Board have been approximately \$795,000, with an additional \$675,000 in project costs projected through FY 2019-2020. There has been no additional revenue to offset expenditures for the new integrated database. The extent of total BreEZe costs to the Board was unanticipated as project costs early in the project life-cycle were unknown and have increased considerably from initial projections.

Increase in Authorized Staff Positions:

In FY 2014-2015, the Board was approved for an additional 11.0 staff (doubling the Board's staffing) for the Board's enforcement program, inspections program, and the new VACSP program. The additional staff added a \$937,000 expenditure ongoing to be paid from the Board's Fund. To fund a part of this expenditure, the Board projected additional revenue from VACSP program fees upon implementation of the new license and, at the time, the Board's Fund Condition was healthy with no additional revenue necessary to fund the additional staff. However, the Board was unable to begin accepting VACSP applications until October of 2016 due to the timeline to promulgate regulations and the delayed implementation of the new BreEZe database. By the time VACSP applications were accepted and program revenues were beginning to be collected in October

of 2016, the Board's Contingent Fund had shrunk to approximately four (4) months of annual authorized expenditures.

VACSP Program Revenue:

The VACSP program has been registering veterinary assistants at a slower pace than projected, which reduced revenue, and continues to provide revenue below the Board's estimates. The Board previously anticipated approximately 10,000 veterinary assistants working in the State would register with the Board over a two-year period beginning in FY 2016-17. However, because the VACSP registration requirement is new to the industry and because many current veterinary assistants are uncertain and/or unaware of the VACSP registration requirement, VACSP registration revenue has been slower to materialize than projected, therefore resulted in less revenue than anticipated.

Fee Audit:

To assess the extent of the Board's structural imbalance and need for additional revenue, staff contracted with Capitol Accounting Partners (CAP) in December of 2016 to conduct a comprehensive fee audit and report that included a cost analysis of the Board's Administrative, Licensing, Premises, and Enforcement programs, as well as prepare fee and revenue projections and recommendations...The CAP audit report recommended that to be structurally solvent, the Board must immediately generate at least \$5.3 million in total revenue each Fiscal Year to fund its operational costs and maintain the mandatory healthy reserve of 3-10 months in its Contingent Fund. Currently, the Board's fees generate approximately \$4.3 million in revenues, leaving a shortfall of approximately \$1 million. The Board's fee schedule increase proposal focuses on those fees that generate 97% of the Board's revenue by drawing from fee categories with a larger volume of fees as opposed to smaller fee sources where the impact to the fee, and, ultimately, the number of individual applicants or licensees, must be greater to make up the requisite revenue. Specific fees were calculated based on total additional revenue required to maintain fund solvency, the Board's fee audit, a review of each licensee's ability to absorb an increase to individual fees, and comparative analysis of similar professional fees."

The CAP audit report only recommended what was needed to maintain the status quo at the time. The report did not evaluate whether additional revenue would be needed to cover future expenditure increases, such as AG rate increases, intradepartmental increases (pro-rata), or additional staffing costs.

The report presented two implementation options: "a one-time increase to meet existing operations costs and reserve needs, or a tiered approach where the fees are phased in over a two-year period." Board staff recommended the latter, so licensees would be less impacted with the gradual increase rather than a one-time increase to the statutory caps. With this option, the Board needed to pursue another increase within two years. After careful deliberation, the Board agreed with the staff recommendation and pursued rulemaking in order to increase existing fees.

At the Board's December 11, 2017 meeting, Board staff presented the need to pursue emergency rulemaking in order for the fees to take effect immediately (stating that a regular rulemaking could take up to 12 months to effectuate). The Board agreed and approved pursuing emergency rulemaking. The new fees took effect in March 2018. Since then, however, the Board's fund has continued to deteriorate, as detailed below.

Decrease in Anticipated Revenue

In addition to the continuous decrease in anticipated revenue from the VACSP noted above, the Board is currently collecting less revenue in several line items than previously anticipated. Most notably, the Board is no longer collecting revenue from California registered veterinary technician (RVT) examination fees. After a thorough review of the California RVT examination, the existing statute, the occupational analysis, an analysis from American Association of Veterinary State Boards, and input from stakeholders, the Board unapproved the examination at its April 2019 Board meeting. Since the exam is no longer required, the Board will not be collecting that revenue. While the Board is saving roughly \$50,000 in annual expenditures to develop and implement the exam, the Board now generates roughly \$180,000 less annual revenue than previously projected.

The Board also regularly experiences uneven month-to-month revenue fluctuations. The chart below illustrates the type of revenue fluctuations the Board experienced in the last fiscal year.

Monthly Revenue FY 2018-2019

Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
\$368,284	\$423,315	\$325,006	\$451,692	\$345,664	\$342,946	\$386,655	\$360,346	\$687,805	\$676,618	\$642,993	\$670,348

As the chart shows, the Board experienced month-to-month revenue decreases last fiscal year as large as \$106,028. If such revenue drops were to occur in consecutive months this year, the Board's entire budget reserve would be nearly exhausted and the Board would be at risk of not being able to pay its bills.

2019 AG Rate Increase

In a June 28, 2019 client notification letter distributed on July 3, 2019, the AG's office notified the Department of Consumer Affairs of significant rate increases effective July 1, 2019. The new rates are as follows:

- Attorney services from \$170 to \$220, resulting in a 30% increase
- Paralegal services from \$120 to \$205, resulting in a 71% increase

In a subsequent letter, dated July 12, 2019, the AG's office clarified the new rate increases would take effect on September 1, 2019. Based on this increase, the Board is projected to be completely insolvent in FY 2020-2021.

As with the Board's revenue, its expenditures are subject to significant month-to-month fluctuation. The charts below show the Board's AG and OAH monthly costs for the 2018-2019 fiscal year.

Monthly AG Costs FY 2018-2019

Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
\$45,962	\$69,887	\$81,037	\$57,645	\$72,335	\$49,161	\$61,682	\$43,205	\$67,415	\$51,806	\$63,543	\$41,687

Monthly OAH Costs FY 2018-2019

Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
\$4,500	\$6,570	\$26,530	\$31,760	\$12,190	\$5,630	\$24,450	\$28,620	\$13,740	\$42,370	\$31,390	\$5,870

As shown in the above charts, the Board experiences month-to-month cost fluctuations as large as \$23,925 in AG costs, and \$28,630 in OAH costs. Moreover, due to the AG's increased rate, a monthly AG cost of \$23,925 at the former rate of \$170 per hour would now equate to a cost increase of \$30,962 at the AG's new \$220 rate.

If the Board were to experience the same substantial cost increases that it previously experienced in consecutive months, or in combination with a low revenue month, or if other unexpected costs arise, the Board's current budget reserve would be depleted, the Board could not pay its bills, and the Board would need to immediately cease enforcement activity and paying for other critical expenses.

Significant Need for Increased Enforcement Staff

The last Board enforcement staff increase was based on increased workload through FY 2013-2014. Since that time, complaints submitted to the Board have increased by 83% (through FY 2018-2019). The Board currently has four enforcement analysts and has over 1,900 pending cases. Each enforcement analyst has over 475 cases, which is unmanageable and inadequate for effectively provide consumer protection. The only way to adequately protect the public is to increase staff to properly manage the increased workload. However, The Board cannot afford to hire additional enforcement staff without additional revenue to pay for them.

Fund Condition Statements:

With this regulation proposal, the Board is providing a fund condition statement, as follows:

- 1) Projected Budget – Projected Fund Condition with fee schedule increase – effective January 27, 2020 (dated June 25, 2020)

The Projected Fund Condition Statement with fee schedule increase reflects the emergency fee increases that took effect January 27, 2020 and assumes that those same fee increases carry over to FY 2020/21 and ongoing. It also includes increased AG costs based on the 2019 AG rate increase. As shown on this statement, the fee increase eliminates the Board's structural imbalance and maintains a healthy reserve of not less than 3 months to no more than 10 months in its Contingent Fund.

Specific Purpose, Anticipated Benefit, and Factual Basis/Rationale:

Amend Section 2070 (Registration and Renewal Fees for Veterinarians) and 2071 (Application, Registration and Renewal Fees for Registered Veterinary Technicians) of Article 16 of Division 20 of Title 16 of the CCR

Purpose: The Board is proposing to amend CCR section 2070 and 2071 regarding application and renewal fees for veterinarians and RVTs, and a new application fee for approving schools and institutions that offer a curriculum for training RVTs. Application and renewal fees generate Board revenue to support Board operating expenditures.

Amend Section 2070 and Section 2070

The Board is currently operating with a structural imbalance, and there is a deficiency of revenues to fund ongoing expenditures. Additionally, the Board is not able to generate enough revenue to bolster its Contingent Fund as required in BPC Section 4905. Due to these factors, the Board is proposing to increase fees to a level that would fund its ongoing expenditures, as well as complying with its statutorily mandated Contingent Fund.

Fee Increases

The Board is proposing to increase the following fees under CCR sections 2070 and 2071 to their statutory maximums (and add one fee at its statutory maximum), as reflected in Table 1 below:

Table 1. Fee Schedule

Revenue Category	Fees	
	CURRENT	NEW
Section 2070		
Application Eligibility Review - Veterinarian	\$150.00	\$350.00
California State Board Exam	\$235.00	\$350.00
Initial License - Veterinarian	\$350.00	\$500.00
Biennial Renewal - Veterinarian	\$350.00	\$500.00
Temporary License - Veterinarian	\$175.00	\$250.00
Application Review - University	\$125.00	\$350.00
Initial License – University	\$290.00	\$500.00
Biennial Renewal - University	\$290.00	\$500.00
Delinquent Renewal - Veterinarian	\$35.00	\$50.00
Delinquent Renewal - Veterinary Premises	\$35.00	\$50.00
Section 2071		
Application Eligibility Review - Veterinary Technician	\$150.00	\$350.00
Initial Registration - Veterinary Technician	\$160.00	\$350.00
Biennial Renewal - Veterinary Technician	\$160.00	\$350.00
Delinquent Renewal - Veterinary Technician	\$35.00	\$50.00
Approval of Veterinarian Technician School/Institution (new fee)	N/A	\$300

Anticipated Benefits and Rationale

Based on the Board’s fund condition, CAP audit report, and staff research, it was determined that an all-inclusive fee increase was necessary to maintain the Board’s structural solvency and increase the statutorily mandated Contingent Fund. Without a fee increase, a structural imbalance would otherwise occur, continuing on into future fiscal years, and putting the Board at risk of insolvency and severely impacting its mandate of consumer protection.

As captured in the CAP audit report, 45% of the Board’s revenue comes from initial application, licensing, and examination fees. Approximately 52% of revenue is generated by renewal fees, and 3% of miscellaneous transactions such as delinquency fees, duplicate license fees, and address fine fees. Enforcement operations were shown to be increasing and are a significant portion of the Board’s overall expenditure authority at greater than 60% of the Board’s overall expenditures.

While some Enforcement cost recovery / reimbursement may occur after a disciplinary action, that percentage is very low. For instance, in Fiscal Year 2018/19, \$110,000 was collected in cost recovery, compared to almost \$2.5 million in total Enforcement expenditures (approximately 4.5% of total expenditures). Further, such recovery occurs

only on an order from an administrative law judge or as part of a stipulated settlement, which would occur only when a formal accusation has been filed. Costs would not be recovered for complaints that determine no violation occurred or on dismissal of an action.

The CAP audit report concludes and recommends that to be structurally solvent, the Board must generate at least \$5.3 million in revenue each year to fund its operational costs while maintaining a healthy reserve of 3-10 months in its Contingent Fund. As noted previously, the audit showed fees generate approximately \$4.3 million in revenue, leaving a shortfall of approximately \$1 million below the CAP audit report's recommended revenue.

Based on the Board's Fund Condition Statement, CAP audit report, and staff research, the Board proposes to increase fees that generate 97% of the Board's revenue (45% revenue from initial application fees, licensing, and examination fees, plus 52% revenue from renewal fees); the miscellaneous transaction fees are largely already at their statutory maximums and cannot be increased. Additionally, the Board is adding a new application fee associated with the approval of schools and institutions offering a curriculum for training RVTs, pursuant to BPC 4842.5 (g) and 4843.

The Board's proposal factors in the total workload volume of each fee. For example, renewal fees will always generate a larger percentage of revenue due to the exponentially larger number of renewal applications received versus initial eligibility applications, so the proposal increases renewal fees to cover the greater amount of work necessary to process those renewal applications. This methodology more equitably distributes the overall fee increase across applicants and licensees.

Additionally, the Board chose specific fee increases based on other similar Department board fees. The fees from boards with licensees similar to the Board reflect that the Board has one of the smaller fees per license type and consequently, staff used the fee structure from other boards as a basis for modifying the proposed increase to Board fees. These proposed fee increases resolve a structural imbalance of the Board that would otherwise occur, while maintaining compliance with BPC section 4905.

The Board has been able to operate within its existing budget by carefully monitoring expenditures and being conservative on purchases. However, due to the increasing costs outside the Board's control as noted above, the Board's budget analyst's projections over the next five years show the need for a fee increase. The Board is very aware of the current fiscal climate in California, and the proposed fee increases are designed to be as conservative as possible while creating a solvent Contingent Fund to ensure that the Board has funds to carry out its consumer protection mandate.

The Board's highest priority is consumer protection. The Board achieves this important priority by ensuring applicants meet education and training requirements for licensure, inspecting veterinary premises, investigating complaints against applicants and licensees, and disciplining applicants and licensees for violations of the Veterinary

Medicine Practice Act (Act). The Board is fully funded by application and licensing fees, and without adequate financial resources, the Board is unable to operate at a capacity that fulfills its highest priority of consumer protection.

Due to recent dramatic increases in consumer complaint volume that has led to higher AG and Office of Administrative Hearings expenditures, continued high BreEZe database system administration costs, recent significant AG rate increases, decreases in anticipated revenue, and the need to hire additional enforcement staff, the Board's Contingent Fund is below the mandated three-month reserve for annual expenditures and will be insolvent in FY 2020-2021. The Board's current revenues are unable to bridge the shortfall between yearly revenues and expenditures.

Immediate action to increase the regulatory fees collected by the Board is required. The increased fees will increase the Board's revenues and funding available to continue uninterrupted the Board's enforcement, premises inspections, and licensing operations.

The proposed fee increase will provide the Board with resources necessary to fund its operations and fulfill its mission of consumer protection. Absent an increase in fees, the Board would need to restrict its core operations, including slowing its ability to process applications, reducing the inspection of veterinary premises, curtailing investigations, and limiting the Board's ability to adjudicate violations of the Act in an expedient manner. This restriction to the operational functions of the Board would threaten the Board's ability to achieve its mission and statutory mandate of consumer protection and would place the public in jeopardy of being harmed by allowing dangerous practitioners to continue practicing veterinary medicine.

Underlying Data

- a) June 28, 2019 AG client notification letter
- b) July 12, 2019 AG clarification letter
- c) Projected Budget – Projected Fund Condition with fee schedule increase – effective January 27, 2020 (dated June 25, 2020)
- d) October 9-11, 2019 Board Meeting Agenda; Relevant Meeting Materials; and Meeting Minutes
- e) January 27, 2020 Office of Administrative Law (OAL) Emergency Rulemaking File Approval
- f) April 23, 2020 Board Meeting Agenda; Relevant Meeting Materials; and Draft Meeting Minutes
- g) Capital Accounting Partners, LLC – July 2017 Audit Report

Business Impact

The Board has made an initial determination that the proposed regulations will not have a significant adverse economic impact directly affecting businesses. The proposal would increase fees associated with veterinarian and university licensure, and veterinary technician registration, and add a new fee associated with the approval of schools and institutions offering a curriculum for training registered veterinary technicians. The proposed fee increases are expected to be absorbable by impacted licensees and

schools. Both the licensees and schools generate sufficient revenue in their respective professions and institutions that the impact of the increase is not expected to be significant.

Economic Impact Assessment

The regulatory proposal will have the following effects:

The proposed rulemaking will neither create businesses or jobs nor eliminate existing businesses or jobs within California because the proposed fees are anticipated to have minimal impact on businesses. The proposed rulemaking will not affect the expansion of businesses currently doing business within the state. The impact on businesses will be minimal and absorbable as this regulation specifically affects individual licensees and specified RVT schools/institutions. This regulation may have an economic impact on private persons or businesses, specifically, veterinarian and veterinary technician applicants and licensees, and specified RVT schools/institutions. The regulation would increase fees associated with veterinarian and university licensure, and veterinary technician registration, and add a new fee associated with the approval of schools and institutions offering a curriculum for training registered veterinary technicians.

Specific annual applicant and licensee cost impacts ongoing are shown in Table 2 below.

Table 2. Cost Impact – Applicant, License, and School/Institution Population

Revenue Category	Population	Fee Increase Amount	Annual Increase Amount
Application Review - Veterinary	786	\$200.00	\$157,200
California State Board Exam	671	\$115.00	\$77,165
Initial License - Veterinary	634	\$150.00	\$95,100
Biennial Renewal - Veterinary	6,200	\$150.00	\$930,000
Temporary License - Veterinary	82	\$75.00	\$6,150
Application Review - University	75	\$225.00	\$16,875
Initial License - University	63	\$210.00	\$13,230
Biennial Renewal - University	5	\$210.00	\$1,050
Delinquent Renewal - Veterinary	225	\$15.00	\$3,375
Application Review - Veterinary Technician	914	\$200.00	\$182,800
Initial Registration - Veterinary Technician	675	\$190.00	\$128,250
Biennial Renewal - Veterinary Technician	3,600	\$190.00	\$684,000
Delinquent Renewal - Veterinary Technician	205	\$15.00	\$3,075
Approval of Veterinarian Technician School/Institution (new application fee)	25	\$300 (new)	*\$3,750
		Total	\$2,302,020

*\$3,750 is a two-year average. The new fee would occur biennially – 25 schools @ \$300 each is \$7,500 every two years.

An all-inclusive fee increase resolves a structural imbalance that would otherwise occur, allowing the Board to continue with inspections and prosecuting individuals violating the Act through enforcement measures. By continuing these tasks, the Board will be protecting California consumers and their animals.

This regulatory proposal focuses on an increase in fee schedules in order to resolve the structural insolvency of the Board's Contingent Fund and does not affect worker safety.

This regulatory proposal focuses on an increase in fee schedules in order to resolve the structural insolvency of the Board's Contingent Fund and does not affect the state's environment.

Requirements for Specific Technologies or Equipment

This regulatory proposal does not mandate the use of specific technologies or equipment.

Consideration of Alternatives

No reasonable alternative to the regulatory proposal would be either more effective in carrying out the purpose for which the action is proposed or would be as effective or less burdensome to affected private persons and equally effective in achieving the purposes of the regulation in a manner that ensures full compliance with the law being implemented or made specific.