



# MEMORANDUM

<b>DATE</b>	January 11, 2021
<b>TO</b>	Multidisciplinary Advisory Committee (MDC)
<b>FROM</b>	Veterinary Premises Registration Fee Subcommittee (Subcommittee) Kristi Pawlowski, RVT, Chair Richard Sullivan, DVM
<b>SUBJECT</b>	<b>Agenda Item 7. Discussion and Potential Recommendation Regarding Veterinary Premises Registration Fees</b>

**Background**

During the July 17, 2020 MDC meeting, the Subcommittee provided an overview of the request from the Veterinary Medical Board (Board) for the MDC to look at whether the Board could raise fees for veterinary premises registrations, using a tiered approach based on the size of the premises, to cover the revenue otherwise generated by the RVT fee increases. Alternatively, if there would not be enough revenue generated by increasing only the premises registration fees, the Board asked the MDC to consider a recommendation to the California State Legislature to raise the statutory veterinarian license fees, as well.

As discussed in more detail [here](#), the Subcommittee created a Veterinary Premises Survey to compile data for determining an appropriate tiered veterinary premises registration schedule.

The Board has email addresses for 50% of the managing licensees (MGLs) listed on premises registrations. The survey was emailed to these MGLs on July 17, 2020. By the July 22 MDC meeting, the Board only received 54 responses. Subsequently, the Board sent survey reminders in the August and September stakeholder updates.

On September 14, 2020, the Subcommittee met to discuss the survey results. At that time, the Board had received 89 responses, representing roughly 2% of the total premises registration population. At that time, the Subcommittee believed there were not enough responses to move forward with any recommendations to change the current fee schedule.

During the October MDC meeting, the Subcommittee requested assistance from the MDC members to donate their time to contact the MGL or office manager of 50% of the premises to obtain responses to the survey. After further discussion, however, it was determined this was not a viable option for MDC members to complete.

Rather than calling individuals, the MDC members discussed performing online searches of premises websites to determine the number of employees working in each location. The MDC members also discussed revising the survey by adding categories in hopes of making the survey easier to complete. The Subcommittee also would provide criteria for the MDC members to use when conducting online searches.

Ultimately, the Subcommittee suggested, and the MDC members agreed, to have the Subcommittee conduct preliminary research to see how efficient the online search would be. Then, they could determine if the remaining MDC members would be willing and able to do the work as well.

### **Update**

After conducting preliminary research online, the Subcommittee is concerned with the lack of current and accurate information on premises websites. In addition, the Subcommittee found they had to navigate several different pages of each premises website to locate the individual veterinarians. As a result, the Subcommittee has concluded the online searches are not easy to obtain the necessary information and would not result in accurate information.

To obtain current, accurate, and reliable data, the Subcommittee recommends the Board update its premises renewal application to include full-time equivalent employment data. This would require the Board to pursue a regulatory amendment through the rulemaking process.

Seeing as the rulemaking process takes a significant amount of time, the Subcommittee recommends the MDC consider raising premises and veterinarian fees to offset a reduction in the RVT fees. If included in the Board's Sunset bill, the revised fees could take effect in January 2022.

To assist the MDC discussion, the Subcommittee requested Board staff provide multiple fee options with the following goals in mind:

- Reduce initial and renewal RVT fees to \$225.
- Justification to raise premises registration fees more than individual veterinarians.

To reduce the RVT fees to \$225, the Board would need to generate \$623,625 annually in revenue by increasing other fees. With the above objectives in mind, Board staff created three options. Recognizing alternative combination options exist, Board staff prepared a chart demonstrating revenues generated by incremental fee increases.

### **Requested Action**

Please consider the information provided and whether the MDC would like to present these options to the Board. While all options should be provided to the Board, the MDC may want to make a recommendation as to which option would be best and why. If the MDC would like alternative options provided, please indicate the alternatives to Board staff.

### **Attachments**

1. Different Fee Options
2. Incremental Fee Increase Breakdown

RVTs			
Current Application	\$350	\$319,900	
Proposed	<b>\$225</b>	\$205,650	<b>(\$114,250)</b>
Current Registration	\$350	\$236,250	
Proposed	<b>\$225</b>	\$151,875	<b>(\$84,375)</b>
Current Renewal	\$350	\$1,190,000	
Proposed	<b>\$225</b>	\$765,000	<b>(\$425,000)</b>
	<b>Revenue Needed</b>		<b>(\$623,625)</b>

Option A			
Premises			
Current Registration	\$400	\$128,000	
Proposed	<b>\$475</b>	<b>\$152,000</b>	<b>\$24,000</b>
Current Renewal	\$400	\$1,280,000	
Proposed	<b>\$550</b>	<b>\$1,760,000</b>	<b>\$480,000</b>
	<b>Revenue Raised</b>	<b>\$504,000</b>	
Veterinarians			
Current Application	\$350	\$275,100	
Proposed	\$350	\$275,100	\$0
Current License	\$500	\$310,000	
Proposed	\$500	\$310,000	\$0
Current Renewal	\$500	\$3,075,000	
Proposed	<b>\$520</b>	<b>\$3,198,000</b>	<b>\$123,000</b>
	<b>Revenue Raised</b>	<b>\$123,000</b>	
	<b>Total Raised</b>	<b>\$627,000</b>	
	<b>Difference</b>	<b>\$3,375</b>	

Option B			
Premises			
Current Registration	\$400	\$128,000	
Proposed	<b>\$500</b>	<b>\$160,000</b>	<b>\$32,000</b>
Current Renewal	\$400	\$1,280,000	
Proposed	<b>\$525</b>	<b>\$1,680,000</b>	<b>\$400,000</b>
	<b>Revenue Raised</b>	<b>\$432,000</b>	
Veterinarians			
Current Application	\$350	\$275,100	
Proposed	<b>\$360</b>	<b>\$282,960</b>	<b>\$7,860</b>
Current License	\$500	\$310,000	
Proposed	\$500	\$310,000	\$0
Current Renewal	\$500	\$3,075,000	
Proposed	<b>\$530</b>	<b>\$3,259,500</b>	<b>\$184,500</b>
	<b>Revenue Raised</b>	<b>\$192,360</b>	
	<b>Total Raised</b>	<b>\$624,360</b>	
	<b>Difference</b>	<b>\$735</b>	

Option C			
Premises			
Current Registration	\$400	\$128,000	
Proposed	\$400	\$128,000	\$0
Current Renewal	\$400	\$1,280,000	
Proposed	<b>\$500</b>	<b>\$1,600,000</b>	<b>\$320,000</b>
	<b>Revenue Raised</b>	<b>\$320,000</b>	
Veterinarians			
Current Application	\$350	\$275,100	
Proposed	\$350	\$275,100	\$0
Current License	\$500	\$310,000	
Proposed	\$500	\$310,000	\$0
Current Renewal	\$500	\$3,075,000	
Proposed	<b>\$550</b>	<b>\$3,382,500</b>	<b>\$307,500</b>
	<b>Revenue Raised</b>	<b>\$307,500</b>	
	<b>Total Raised</b>	<b>\$627,500</b>	
	<b>Difference</b>	<b>\$3,875</b>	

**Premises**

Registration			Renewal		
Fee	Revenue	Difference	Fee	Revenue	Difference
\$ 400	\$ 128,000	\$ -	\$400	\$1,280,000	\$0
\$ 410	\$ 131,200	\$ 3,200	\$425	\$1,360,000	\$80,000
\$ 420	\$ 134,400	\$ 6,400	\$450	\$1,440,000	\$160,000
\$ 430	\$ 137,600	\$ 9,600	\$475	\$1,520,000	\$240,000
\$ 440	\$ 140,800	\$ 12,800	<b>\$500</b>	<b>\$1,600,000</b>	<b>\$320,000</b>
\$ 450	\$ 144,000	\$ 16,000	<b>\$525</b>	<b>\$1,680,000</b>	<b>\$400,000</b>
\$ 460	\$ 147,200	\$ 19,200	<b>\$550</b>	<b>\$1,760,000</b>	<b>\$480,000</b>
\$ 470	\$ 150,400	\$ 22,400	\$600	\$1,920,000	\$640,000
<b>\$ 475</b>	<b>\$152,000</b>	<b>\$24,000</b>			
\$ 480	\$ 153,600	\$ 25,600			
\$ 490	\$ 156,800	\$ 28,800			
<b>\$ 500</b>	<b>\$ 160,000</b>	<b>\$ 32,000</b>			
\$ 510	\$ 163,200	\$ 35,200			
\$ 520	\$ 166,400	\$ 38,400			
\$ 530	\$ 169,600	\$ 41,600			
\$ 540	\$ 172,800	\$ 44,800			
\$ 550	\$ 176,000	\$ 48,000			
\$ 560	\$ 179,200	\$ 51,200			

**Veterinarian**

Application			License			Renewal		
Fee	Revenue	Difference	Fee	Revenue	Difference	Fee	Revenue	Difference
\$ 350	\$ 275,100	\$ -	\$ 500	\$ 310,000	\$ -	\$ 500	\$ 3,075,000	\$ -
<b>\$ 360</b>	<b>\$ 282,960</b>	<b>\$ 7,860</b>	\$ 510	\$ 316,200	\$ 6,200	\$ 510	\$ 3,136,500	\$ 61,500
\$ 370	\$ 290,820	\$ 15,720	\$ 520	\$ 322,400	\$ 12,400	<b>\$ 520</b>	<b>\$ 3,198,000</b>	<b>\$ 123,000</b>
\$ 380	\$ 298,680	\$ 23,580	\$ 530	\$ 328,600	\$ 18,600	<b>\$ 530</b>	<b>\$ 3,259,500</b>	<b>\$ 184,500</b>
\$ 390	\$ 306,540	\$ 31,440	\$ 540	\$ 334,800	\$ 24,800	\$ 540	\$ 3,321,000	\$ 246,000
\$ 400	\$ 314,400	\$ 39,300	\$ 550	\$ 341,000	\$ 31,000	<b>\$ 550</b>	<b>\$ 3,382,500</b>	<b>\$ 307,500</b>
\$ 410	\$ 322,260	\$ 47,160	\$ 560	\$ 347,200	\$ 37,200	\$ 560	\$ 3,444,000	\$ 369,000
\$ 420	\$ 330,120	\$ 55,020	\$ 570	\$ 353,400	\$ 43,400	\$ 570	\$ 3,505,500	\$ 430,500
\$ 430	\$ 337,980	\$ 62,880	\$ 580	\$ 359,600	\$ 49,600	\$ 580	\$ 3,567,000	\$ 492,000
\$ 440	\$ 345,840	\$ 70,740	\$ 590	\$ 365,800	\$ 55,800	\$ 590	\$ 3,628,500	\$ 553,500
\$ 450	\$ 353,700	\$ 78,600	\$ 600	\$ 372,000	\$ 62,000	\$ 600	\$ 3,690,000	\$ 615,000