



MEMORANDUM

DATE	April 4, 2025
TO	Multidisciplinary Advisory Committee (MDC)
FROM	Richard Sullivan, DVM Marie Ussery, RVT
SUBJECT	Agenda Item 6. Update, Discussion, and Potential Action on Recommendations on Proposed Legislation to Amend BPC Section 4905 Regarding the Board’s Fee Structure

BACKGROUND

As discussed in more detail [here](#), during the October 2019 meeting of the California Veterinary Medical Board (Board), the Board approved raising all fees set in regulation (California Code of Regulations (CCR), tit. 16, §§ 2070 and 2071) to their statutory caps to prevent the Board from going insolvent.

The new fees became effective in January 2020.¹ At the time, the Board recognized the fee increase disproportionately impacted the registered veterinary technician (RVT) profession and committed to lowering the RVT fees through its next Sunset Bill. The Board also informed licensees and stakeholders the Sunset Bill would likely need to include an increase of the statutory caps for all licensing fees.

Through Assembly Bill (AB) [1535](#) (Committee on Business and Professions, Chapter 631, Statutes of 2021), the RVT application and initial and renewal registration fees decreased by 36%, from \$350 to \$225. To make up for the lost revenue, the Board increased the initial and renewal veterinary premises registration fees from \$400 to \$500 (initial) and \$525 (renewal), and increased the veterinary assistant controlled substance permit (VACSP) application and initial and renewal permit fees from \$50 to \$100.

The Board initially intended to create a tiered fee structure related to the size of veterinary premises, with the intent to have larger veterinary premises pay larger fees and keep the fees lower for veterinarians and RVTs. However, the Board did not have data at that time to make accurate fund condition projections. The Board decided to start collecting data related to veterinary premises employees with the expectation to have enough data by the next Sunset review to create the tiered structure.

In addition, due to various internal cost saving measures, the Board’s fund condition projections improved, and it became evident the Board could sustain itself through 2026 without increasing its statutory caps. The Board informed licensees and

¹ The Certificate of Compliance was filed on June 1, 2021, making the increase permanent.

stakeholders a statutory cap increase would be necessary during the 2026 Sunset review.

UPDATE

In its [2025 Sunset Review Report](#), the Board noted fund projections dropping below its three-month statutory minimum in Fiscal Year (FY) 2029/30, and the Board would need to seek statutory cap increases through its Sunset bill.

In March 2025, Dr. Sullivan and Ms. Ussery met with Board staff on numerous occasions and reviewed the following:

- Veterinary premises employee data collected over the last four years.
- Various other states' veterinary premises fee structures.
- Current fund projections over the next 10 years.
- Various potential fee models and their impact on the Board's fund (prepared by the Department of Consumer Affairs (DCA), Budget Office).
- Fee Structure Goals:
 - Create a veterinary premises tiered fee structure.
 - Recommend incremental fee increases for all license types, with the largest impact focusing on the veterinary premises.
 - Maintain a healthy fund condition (DCA recommends 12-15 months in reserve).
 - Prevent the need to seek a statutory increase each Sunset cycle.
 - Delay the need for a fee increase through regulation as long as possible.

Based on the above, Dr. Sullivan, Ms. Ussery, and Board staff created a proposed fee structure for MDC and Board consideration (Attachment 1). This proposed fee structure includes four incremental increases, with the first fee increase not occurring until FY 2028/29. The last increase is projected to occur in FY 2034/35 and carry the Board through FY 2035/36. The last increase is the recommended statutory cap to request through the Board's current Sunset Bill.

Veterinary Premises Tiered Structure

While the Board collected data on multiple employees (i.e., veterinarians, RVTs, assistants, clerical staff) at registered veterinary premises, the proposed tiered structure is based on the number of full-time equivalent veterinarians who work at each premises. The three tiers (small, medium, and large veterinary premises) are broken up as follows:

- Small Veterinary Premises: 1-3 Veterinarians
- Medium Veterinary Premises: 4-8 Veterinarians
- Large Veterinary Premises: 9+ Veterinarians

Based on the data, roughly 80% of registered veterinary premises would be categorized as "Small", 16% would be categorized as "Medium," and 4% would be categorized as "Large." In the proposed structure, the medium and large registered veterinary premises would see the biggest impact.

In addition, some states charge an additional \$25 for each mobile unit tied to a registered veterinary premises. While mobile units tied to a registered veterinary premises are not required to obtain a separate registration under California law, Board inspectors still inspect each mobile unit identified during an inspection. Due to the increased workload associated with inspecting mobile units, the proposal includes a \$25 fee for each mobile unit that is tied to a fixed veterinary premises.

VACSP Disproportionate Impact

Notably, the proposed fee structure includes significant increases to the VACSP related fees to closer align with the RVT fees. While the VACSP application process is faster than the RVT process, the enforcement workload tied to the VACSP is more than the workload tied to RVTs.

Many VACSP applicants have an existing criminal history, and once they receive their permits, they tend to have more subsequent arrests than their RVT counterparts. In addition, veterinary premises owners presumably cover the costs of the VACSP more often than not, which is not the case for RVTs.

Fund Condition

The proposals do not align with the recommendation to have roughly 12-15 months in reserves. As shown in the Analysis of the Board's Fund Condition (Attachment 2), the Board's reserves are estimated to drop to 4.4 months and only reach 5.5 months by FY 2035/36.

However, Board staff estimates the actual reserves will end up higher than projected for the following reasons:

Historical Reversion

The Board's Fund Condition presumes the Board will expend its full budget allocation each year. Over the last several years, the Board has reverted small portions back into its fund each year.

Point in Time Projections

The Board's Fund Condition is a point in time projection based on the assumption workload and revenue projections are realized in the current year and ongoing. This can change for various reasons, including subsequent state-wide expenditure changes, unanticipated enforcement activities, lower than expected revenues, etc. The longer out projections are, the less reliable they become.

As an example of how the projections can vary, in July 2022, it was estimated the Board's Fund Condition would have 8.2 months in reserve by the end of FY 2023/24 (see page 5 of [this Administrative Report](#)). However, as reported [here](#), the Board's "Actuals" reflected 14.3 months in reserve for FY 2023/24.

Pending Legislative Proposal

The Board is currently seeking a legislative amendment that would authorize the Board to enter into stipulated settlements without transmitting the case to the Office of Attorney General (OAG) to prepare, file, and serve an Accusation or Statement of Issues.

In the past four years, 89% of the Board's cases were settled without going to hearing (76 out of 85 cases). On average over those four years, the Board spent over \$800,000 per year in OAG and Office of Administrative Hearings costs. This means that if the legislative proposal is successful, the Board could potentially save over \$712,000 on average per year.

Legislative Proposal Regarding Fees

In reliance on the proposed Fee Structure (Attachment 1), the attached legislative proposal (Attachment 3) would resolve the looming structural imbalance described further below.

The legislative proposal would raise statutory fees as follows:

Amend BPC Section 4905, New Subdivision (b)(1) and (5)

The veterinarian and university veterinarian license application fees currently in BPC section 4905, subdivisions (a) and (e), would be renumbered as subdivision (b)(1) and (5), and changed from a set fee of \$350 to a statutory cap of \$540, to allow the Board to increase the application fees in regulation over time.

Amend BPC Section 4905, New Subdivision (b)(2)

The California Veterinary Medicine Practice Act course fee currently in BPC section 4905, subdivision (b), would be renumbered as subdivision (b)(2), unnecessary text would be stricken, and the statutory cap of \$100 would be increased to \$155.

Amend BPC Section 4905, New Subdivision (b)(3) and (6)

The initial veterinarian and initial university veterinarian license fees currently in BPC section 4905, subdivisions (c) and (f), would be renumbered as subdivision (b)(3) and (6), and the statutory cap of \$500 would be increased to \$765.

Amend BPC Section 4905, New Subdivision (b)(4) and (7)

The biennial veterinarian and university license renewal fees currently in BPC section 4905, subdivisions (d) and (g), would be renumbered as subdivision (b)(4) and (7), and changed from a set fee of \$500 to a statutory cap of \$765, to allow the Board to increase the renewal fees in regulation over time.

The legislative proposal would create new definitions of small, medium, and large veterinary premises for purposes of new tiered fee structures (BPC § 4905, new subd. (a)), and insert new veterinary premises fees as follows:

Amend BPC Section 4905, New Subdivision (b)(8) and (9)

The initial and renewal veterinary premises registration fees currently set at \$500 and \$525, respectively, in BPC section 4905, subdivisions (l) and (m), would be renumbered as subdivision (b)(8) and (9), and amended to provide for an initial small veterinary premises registration fee of \$840 and renewal fee of \$910.

Add New Subdivision (b)(10) and (11)

The legislative proposal would add new subdivision (b)(10) and (11) to establish initial and renewal medium veterinary premises registration fees in the amount of \$1,120 and \$1,190, respectively, in accordance with the new tiered veterinary premises fee structure described above.

Add New Subdivision (b)(12) and (13)

The legislative proposal would add new subdivision (b)(12) and (13) to establish initial and renewal large veterinary premises registration fees in the amount of \$1,675 and \$1,745, respectively, in accordance with the new tiered veterinary premises fee structure described above.

The legislative proposal would amend the RVT and VACSP fees as follows:

Amend BPC Section 4905, New Subdivision (b)(14), (15), and (16)

The RVT application, initial registration, and renewal fees currently in BPC section 4905, subdivisions (n), (o), and (p), would be renumbered as subdivision (b)(14), (15), and (16), and changed from a set fee of \$225 to a statutory cap of \$350, to allow the Board to increase these fees in regulation over time.

Amend BPC Section 4905, New Subdivision (b)(17), (18), and (19)

The VACSP application, initial permit, and renewal fees currently in BPC section 4905, subdivisions (q), (r), and (s), would be renumbered as subdivision (b)(17), (18), and (19), and changed from a set fee of \$100 to a statutory cap of \$320, to allow the Board to increase these fees in regulation over time.

Other Clean-Up Language Related to Fees

The legislative proposal also includes the following staff-recommended amendments:

Repeal BPC Section 4905, Subdivision (h), and Amend Subdivision (t): Delinquency Fee

BPC section 4905, subdivision (h), sets the delinquency fee for veterinarians (including university veterinarians), RVTs, and registered veterinary premises at \$50. However, this fee does not align with BPC section [163.5](#), which states, in pertinent part, the following:

[T]he delinquency, penalty, or late fee for any licensee within the Department of Consumer Affairs shall be 50 percent of the renewal fee for such license in effect on the date of the renewal of the license, but not less than twenty-five dollars (\$25) nor more than one hundred fifty dollars (\$150).

BPC section 4905, subdivision (t), more closely aligns with BPC section 163.5, but it currently only applies to VACSPs. As such, this subdivision should be renumbered as subdivision (b)(20), and amended to apply to all license, registration, and permit delinquency fees.

Repeal BPC Section 4905, Subdivision (i): Duplicate License Fee

BPC section 4905, subdivision (i) sets a \$25 fee for issuance of a duplicate license, registration, or permit. However, a licensee, registrant, or permit holder can now print their license, registration, or permit certificate at any time through their BreEZe account. Since there is no workload associated with this task, Board staff recommends repealing this section.

Repeal BPC Section 4905, Subdivision (j): Duplication or Other Services

This subdivision has not been used in over a decade. As such, it is recommended this section be repealed.

Notably, BPC section 161 authorizes the Board to sell copies of any part of its respective public records, or compilations, extracts or summaries of information contained in public records, at a charge sufficient to pay the actual cost thereof.

The DCA Director has determined that the fees for the sale of public records shall be “ten (10) cents per page plus the actual costs of the staff time for retrieving and duplicating the document(s)…” (See, “Guidelines for Access to Public Records,” LGL-06-01, dated April 24, 2006.)

Staff time is computed according to guidelines set by the Department of General Services’ State Administrative Manual (“SAM”) at Section 8740. The fees are charged to recover the DCA’s and Board’s costs in producing the documents.

In addition, Government Code section 7922.530, subdivision (a), authorizes the Board to charge fees covering direct costs of duplication of public records. Civil Code section 1798.33 authorizes the Board to charge fees, not to exceed ten cents (\$0.10) per page for copies of records containing personal information disclosable pursuant to the Information Practices Act of 1977.

Repeal BPC Section 4905, Subdivision (k): Failing to Report Change of Mailing Address

Prior to 2019, Board staff would automatically add a \$25 fee to every licensee, registrant, and permit holder whenever a piece of mail was returned to the Board, citing this subdivision. This resulted in a significant number of phone calls from confused and upset individuals trying to renew their licenses and not understanding the additional fee.

Board staff often ultimately removed the fee to appease the callers. Adding the \$25 fee ended up costing the Board more in staff time than the revenue it generated. As such, the Board’s Executive Officer directed staff to stop adding the fee for returned mail and proposes to repeal this fee for failure to report a change of mailing address.

Removing the fee does not remove the requirement for license applicants and licensees to report changes in mailing or employment address. (BPC, §§ 4836.4, 4842.7, 4847.1, subd. (c), 4852.)

Repeal BPC Section 4905, Subdivision (u): Application for Board Approval to Offer RVT Training

The Board is already seeking a legislative proposal to repeal BPC sections related to the Board approving schools or institutions offering a curriculum for training RVTs. As such, this subdivision should be repealed.

Amend BPC 4905, new Subdivision (v): Months in Reserve

The first sentence of BPC section 4905, subdivision (v), refers to a 1991 general fund loan being redeposited into the Board’s fund and reducing fees accordingly. It is currently unknown when the 1991 general fund loan was repaid, but there are currently no outstanding general fund loans. Thus, this sentence should be struck.

The second sentence of subdivision (v) requires no less than three months in reserve. This provides time for the Board to increase fees prior to the Board going insolvent, and should remain as renumbered subdivision (b)(21), with a few minor tweaks.

The third sentence of subdivision (v) sets a statutory cap of 10 months in reserve. This was recently flagged as an issue by the Joint Sunset Review Committees and raised as a logistical issue during the Board's March 2025 Sunset hearing. This sentence also conflicts with BPC section [128.5](#), subdivision (b), which sets the Board's statutory cap of 24 months in reserve. It is recommended the third sentence in subdivision (v) be struck, reverting to the cap in BPC section 128.5, subdivision (b).

Meetings with Stakeholders

The proposed fee structure was presented to representatives from the California Veterinary Medical Association (CVMA) and the California Registered Veterinary Technicians Association (CaRVTA) in March. Overall, the proposal was well received with no objections.

Some feedback from association representatives and other veterinarians included increasing the fees earlier and increasing the statutory cap on veterinarian fees to allow for decreasing the statutory cap for RVT fees. The rationale provided was that over the past several years, veterinarians' income has significantly increased, while RVTs' income has remained stagnant.

As such, an additional fee structure, fund condition analysis, and legislative proposal was created to show greater impacts to veterinarians and a lesser impact to RVTs (Attachments 4-6).

Specifically, the Option 2 legislative proposal would increase the initial and renewal veterinarian and initial and renewal university veterinarian license fees to \$800 (instead of \$765 as proposed in Option 1), decrease the RVT application, initial registration, and renewal fees to \$300 (instead of \$350 as proposed in Option 1), and decrease the VACSP application, initial permit, and renewal fees to \$300 (instead of \$320 as proposed in Option 1).

Action Requested

If the MDC agrees with one of the two legislative proposals, please entertain a motion to recommend to the Board submission to the California State Legislature the legislative proposal [Option 1 or Option 2] to amend BPC section 4905 regarding the Board's fee structure.

Attachments

1. Option 1: Proposed Fee Structure
2. Option 1: Analysis of the Board's Fund Condition
3. Option 1: Legislative Proposal to Amend BPC Section 4905 Regarding Fee Structure
4. Option 2: Proposed Fee Structure
5. Option 2: Analysis of the Board's Fund Condition

6. Option 2: Legislative Proposal to Amend BPC Section 4905 Regarding Fee Structure

DESCRIPTION	VOLUME	CURRENT FEE	First Step		Second Step		Third Step		Fourth Step (Cap)	
			PROPOSED FEE (7/1/28)	Percent Increase	PROPOSED FEE (7/1/30)	Percent Increase	PROPOSED FEE (7/1/32)	Percent Increase	PROPOSED FEE (7/1/34)	Percent Increase
Initial Premises Registration (Small)	366	\$500	\$600	20%	\$690	15%	\$760	10%	\$840	11%
Initial Premises Registration (Medium)	73	\$500	\$800	60%	\$920	15%	\$1,015	10%	\$1,120	10%
Initial Premises Registration (Large)	18	\$500	\$1,200	140%	\$1,380	15%	\$1,520	10%	\$1,675	10%
Add'l Mobile Unit	114	\$0	\$25	-	\$25	0%	\$25	0%	\$25	0%
Annual Renewal - Premises (Small)	3,034	\$525	\$650	24%	\$750	15%	\$825	10%	\$910	10%
Annual Renewal - Premises (Medium)	607	\$525	\$850	62%	\$980	15%	\$1,080	10%	\$1,190	10%
Annual Renewal - Premises (Large)	152	\$525	\$1,250	138%	\$1,440	15%	\$1,585	10%	\$1,745	10%
Annual Renewal - Add'l Mobile Unit	948	\$0	\$25	-	\$25	0%	\$25	0%	\$25	0%
Application - VET	767	\$350	\$420	20%	\$465	11%	\$490	5%	\$540	10%
Exam - Vet Law Exam	609	\$100	\$120	20%	\$130	8%	\$140	8%	\$155	11%
Initial Lic - VET	815	\$500	\$600	20%	\$660	10%	\$695	5%	\$765	10%
Biennial Renewal - VET	6,222	\$500	\$600	20%	\$660	10%	\$695	5%	\$765	10%
Application - UNIV	45	\$350	\$420	20%	\$460	10%	\$490	7%	\$540	10%
Initial Lic - UNIV	36	\$500	\$600	20%	\$660	10%	\$695	5%	\$765	10%
Biennial Renewal - UNIV	48	\$500	\$600	20%	\$660	10%	\$695	5%	\$765	10%
Application - RVT	946	\$225	\$270	20%	\$300	11%	\$315	5%	\$350	11%
Initial Reg - RVT	867	\$225	\$270	20%	\$300	11%	\$315	5%	\$350	11%
Biennial Renewal - RVT	3,979	\$225	\$270	20%	\$300	11%	\$315	5%	\$350	11%
Application - VACS	2,198	\$100	\$250	150%	\$275	10%	\$290	5%	\$320	10%
Initial Permit - VACS	2,195	\$100	\$250	150%	\$275	10%	\$290	5%	\$320	10%
Biennial Renewal - VACS	1,186	\$100	\$250	150%	\$275	10%	\$290	5%	\$320	10%

0777 - Veterinary Medical Board Contingent Fund
Analysis of Fund Condition (Dollars in Thousands)

Prepared 3.17.2025

2025-26 Governor's Budget with Pre-FM7 Projections

V3 Model: Four-Steps	Actuals 2023-24	FM7		Step #1		Step #2		Step #3		Step #4			
		CY 2024-25	BY 2025-26	BY +1 2026-27	BY +2 2027-28	BY +3 2028-29	BY +4 2029-30	BY +5 2030-31	BY +6 2031-32	BY +7 2032-33	BY +8 2033-34	BY +9 2034-35	BY +10 2035-36
		BEGINNING BALANCE											
Prior Year Adjustment	\$ -10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 8,260	\$ 9,884	\$ 10,226	\$ 8,865	\$ 7,194	\$ 4,847	\$ 4,671	\$ 4,174	\$ 4,507	\$ 4,508	\$ 4,903	\$ 4,945	\$ 5,837
REVENUES, TRANSFERS AND OTHER ADJUSTMENTS													
Revenues													
4121200 - Delinquent fees	\$ 59	\$ 66	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74
4127400 - Renewal fees	\$ 6,133	\$ 6,359	\$ 6,210	\$ 6,210	\$ 6,210	\$ 6,210	\$ 6,210	\$ 6,210	\$ 6,210	\$ 6,210	\$ 6,210	\$ 6,210	\$ 6,210
4127400 - Renewal fees (incremental increase)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,053	\$ 2,053	\$ 3,007	\$ 3,007	\$ 3,617	\$ 3,617	\$ 4,622	\$ 4,622
4129200 - Other regulatory fees	\$ 144	\$ 134	\$ 131	\$ 131	\$ 131	\$ 131	\$ 131	\$ 131	\$ 131	\$ 131	\$ 131	\$ 131	\$ 131
4129400 - Other regulatory licenses & permits	\$ 1,783	\$ 1,742	\$ 1,847	\$ 1,847	\$ 1,847	\$ 1,847	\$ 1,847	\$ 1,847	\$ 1,847	\$ 1,847	\$ 1,847	\$ 1,847	\$ 1,847
4129400 - Other regulatory license & permits (incremental increase)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 610	\$ 610	\$ 895	\$ 895	\$ 1,076	\$ 1,076	\$ 1,375	\$ 1,375
4163000 - Income from surplus money investments	\$ 391	\$ 335	\$ 140	\$ 106	\$ 72	\$ 69	\$ 62	\$ 62	\$ 62	\$ 62	\$ 62	\$ 62	\$ 62
4171400 - Escheat of unclaimed checks and warrants	\$ 5	\$ 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4172500 - Miscellaneous revenues	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals, Revenues	\$ 8,516	\$ 8,643	\$ 8,402	\$ 8,368	\$ 8,334	\$ 10,994	\$ 10,987	\$ 12,226	\$ 12,226	\$ 13,017	\$ 13,017	\$ 14,321	\$ 14,321
TOTALS, REVENUES, TRANSFERS AND OTHER ADJUSTMENTS													
	\$ 8,516	\$ 8,643	\$ 8,402	\$ 8,368	\$ 8,334	\$ 10,994	\$ 10,987	\$ 12,226	\$ 12,226	\$ 13,017	\$ 13,017	\$ 14,321	\$ 14,321
TOTAL RESOURCES													
	\$ 16,776	\$ 18,527	\$ 18,628	\$ 17,233	\$ 15,528	\$ 15,841	\$ 15,658	\$ 16,400	\$ 16,733	\$ 17,525	\$ 17,920	\$ 19,266	\$ 20,158
Expenditures:													
1111 Department of Consumer Affairs (State Ops)	\$ 6,349	\$ 7,790	\$ 9,215	\$ 9,491	\$ 9,776	\$ 10,069	\$ 10,372	\$ 10,683	\$ 11,003	\$ 11,333	\$ 11,673	\$ 12,023	\$ 12,384
1111 Unanticipated (future) Estimated Costs	\$ -	\$ -	\$ -	\$ -	\$ 356	\$ 367	\$ 378	\$ 389	\$ 401	\$ 413	\$ 425	\$ 438	\$ 451
9892 Supplemental Pension Payments (State Ops)	\$ 80	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9900 Statewide General Admin Exp (Pro Rata) (State Ops)	\$ 463	\$ 451	\$ 548	\$ 548	\$ 548	\$ 548	\$ 548	\$ 548	\$ 548	\$ 548	\$ 548	\$ 548	\$ 548
9900 Statewide General Admin Exp (incremental increase)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186	\$ 186	\$ 273	\$ 273	\$ 329	\$ 329	\$ 420	\$ 420
TOTALS, EXPENDITURES AND EXPENDITURE ADJUSTMENTS													
	\$ 6,892	\$ 8,301	\$ 9,763	\$ 10,039	\$ 10,680	\$ 11,171	\$ 11,484	\$ 11,893	\$ 12,225	\$ 12,622	\$ 12,975	\$ 13,429	\$ 13,803
FUND BALANCE													
Reserve for economic uncertainties	\$ 9,884	\$ 10,226	\$ 8,865	\$ 7,194	\$ 4,847	\$ 4,671	\$ 4,174	\$ 4,507	\$ 4,508	\$ 4,903	\$ 4,945	\$ 5,837	\$ 6,355
Months in Reserve	14.3	12.6	10.6	8.1	5.2	4.9	4.2	4.5	4.4	4.7	4.6	5.2	5.5
Statewide Pro Rata (estimate - proxy)	5%	5%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%

	Step #1	Step #2	Step #3	Step #4
Target Months in Reserve*	4.5	4.5	4.6	5.4
Target Incremental Revenue Increase	\$2,663	\$3,902	\$4,693	\$5,997

*Step #1: 2-Yr Ave 2028-29 through 2029-30
 *Step #2: 2-Yr Ave 2030-31 through 2031-32
 *Step #3: 2-Yr Ave 2032-33 through 2033-34
 *Step #4: 2-Yr Ave 2034-35 through 2035-36

NOTES:
 1. Assumes workload and revenue projections are realized in CY and ongoing.
 2. Expenditure growth projected at 3% beginning BY+1.
 3. Step #1: Effective 7/1/2028.
 4. Step #2: Effective 7/1/2030.
 5. Step #3: Effective 7/1/2032.
 6. Step #4: Effective 7/1/2034.

Option 1

CALIFORNIA VETERINARY MEDICAL BOARD

**LEGISLATIVE PROPOSAL TO AMEND BUSINESS AND PROFESSIONS CODE
SECTION 4905 REGARDING FEE STRUCTURE**

Additions are indicated in single underline.

Deletions are indicated in ~~single strikethrough~~.

Amend section 4905 of the Business and Professions Code as follows:

4905. (a) The following definitions are provided for purposes of this section:

(1) "Small veterinary premises" means a veterinary premises where up to three (3) full-time equivalent veterinarians provide veterinary services.

(2) "Medium veterinary premises" means a veterinary premises where four (4) to eight (8) full time equivalent veterinarians provide veterinary services.

(3) "Large veterinary premises" means a veterinary premises where nine (9) or more full-time equivalent veterinarians provide veterinary services.

(b) The following fees shall be collected by the board and shall be credited to the California Veterinary Medical Board Contingent Fund:

(a1) The veterinarian license application fee shall be ~~not exceed~~ three hundred fifty five hundred forty dollars (~~\$350~~540).

(b2) The California Veterinary Medicine Practice Act course fee shall ~~be set by the board in an amount it determines reasonably necessary to provide sufficient funds to carry out the purpose of this chapter, not to exceed one hundred~~ fifty-five dollars (~~\$400~~155).

(c3) The initial veterinarian license fee shall ~~be set by the board not to exceed five~~ seven hundred sixty-five dollars (~~\$500~~765).

(d4) The biennial veterinarian license renewal fee shall be ~~not exceed~~ five seven hundred sixty-five dollars (~~\$500~~765).

(e5) The university licensee application fee shall be ~~not exceed~~ three hundred fifty five hundred forty dollars (~~\$350~~540).

(f6) The initial university license fee shall be ~~not exceed~~ five seven hundred sixty-five dollars (~~\$500~~765).

(g7) The biennial university licensee renewal fee shall be ~~not exceed~~ five seven hundred sixty-five dollars (~~\$500~~765).

~~(h) The delinquency fee shall be fifty dollars (\$50).~~

~~(i) The fee for issuance of a duplicate license, registration, or permit shall be twenty-five dollars (\$25).~~

~~(j) Any charge made for duplication or other services shall be set at the cost of rendering the service, except as specified in subdivision (i).~~

~~(k) The fee for failure to report a change in the mailing address shall be twenty-five dollars (\$25).~~

~~(8) The initial small veterinary premises registration fee shall ~~be~~ not exceed five eight hundred forty dollars (~~\$500~~840) annually.~~

~~(9) The annual small veterinary premises registration renewal fee shall ~~be~~ not exceed five nine hundred twenty-five ten dollars (~~\$525~~910).~~

~~(10) The initial medium veterinary premises registration fee shall not exceed one thousand one hundred twenty dollars (~~\$1,120~~).~~

~~(11) The annual medium veterinary premises registration renewal fee shall not exceed one thousand one hundred ninety dollars (~~\$1,190~~).~~

~~(12) The initial large veterinary premises registration fee shall not exceed one thousand six hundred seventy-five dollars (~~\$1,675~~).~~

~~(13) The annual large veterinary premises registration renewal fee shall not exceed one thousand seven hundred forty-five dollars (~~\$1,745~~).~~

~~(14) The registered veterinary technician application fee shall ~~be~~ not exceed two three hundred twenty-five fifty dollars (~~\$225~~350).~~

~~(15) The initial registered veterinary technician registration fee shall ~~be~~ not exceed two three hundred twenty-five fifty dollars (~~\$225~~350).~~

~~(16) The biennial registered veterinary technician renewal fee shall ~~be~~ not exceed two three hundred twenty-five fifty dollars (~~\$225~~350).~~

~~(17) The veterinary assistant controlled substance permit application fee shall ~~be~~ not exceed one three hundred twenty dollars (~~\$400~~320).~~

~~(18) The veterinary assistant controlled substance permit fee shall ~~be~~ not exceed one three hundred twenty dollars (~~\$400~~320).~~

~~(19) The biennial veterinary assistant controlled substance permit renewal fee shall ~~be~~ not exceed one three hundred twenty dollars (~~\$400~~320).~~

~~(20) The veterinary assistant controlled substance All license, registration, and permit delinquency fees shall be 50 percent of the renewal fee for such permit in~~

effect on the date of the renewal of the permit, but shall not be less than ~~twenty-five~~ fifty dollars (~~\$25~~50) nor more than one hundred fifty dollars (\$150).

~~(u) The fee for filing an application for approval of a school or institution offering a curriculum for training registered veterinary technicians pursuant to Section 4843 shall be set by the board at an amount not to exceed three hundred dollars (\$300). The school or institution shall also pay for the reasonable regulatory costs incident to an onsite inspection conducted by the board pursuant to Section 2065.6 of Title 16 of the California Code of Regulations.~~

~~(v21) If the money transferred from the California Veterinary Medical Board Contingent Fund to the General Fund pursuant to the Budget Act of 1991 is redeposited into the California Veterinary Medical Board Contingent Fund, the fees assessed by the board shall be reduced correspondingly. However, the reduction shall not be so great as to cause t~~The California Veterinary Medical Board Contingent Fund to shall have a reserve of no less than three months of annual authorized board expenditures. The fees set by the board shall not result in a California Veterinary Medical Board Contingent Fund reserve of more than 10 months of annual authorized board expenditures.

DESCRIPTION	VOLUME	CURRENT FEE	First Step		Second Step		Third Step		Fourth Step (Cap)	
			PROPOSED FEE (7/1/28)	Percent Increase	PROPOSED FEE (7/1/30)	Percent Increase	PROPOSED FEE (7/1/32)	Percent Increase	PROPOSED FEE (7/1/34)	Percent Increase
Initial Premises Registration (Small)	366	\$500	\$600	20%	\$690	15%	\$760	10%	\$840	11%
Initial Premises Registration (Medium)	73	\$500	\$800	60%	\$920	15%	\$1,015	10%	\$1,120	10%
Initial Premises Registration (Large)	18	\$500	\$1,200	140%	\$1,380	15%	\$1,520	10%	\$1,675	10%
Add'l Mobile Unit	114	\$0	\$25	-	\$25	0%	\$25	0%	\$25	0%
Annual Renewal - Premises (Small)	3,034	\$525	\$650	24%	\$750	15%	\$825	10%	\$910	10%
Annual Renewal - Premises (Medium)	607	\$525	\$850	62%	\$980	15%	\$1,080	10%	\$1,190	10%
Annual Renewal - Premises (Large)	152	\$525	\$1,250	138%	\$1,440	15%	\$1,585	10%	\$1,745	10%
Annual Renewal - Add'l Mobile Unit	948	\$0	\$25	-	\$25	0%	\$25	0%	\$25	0%
Application - VET	767	\$350	\$440	26%	\$465	6%	\$500	8%	\$540	8%
Exam - Vet Law Exam	609	\$100	\$125	25%	\$130	4%	\$140	8%	\$155	11%
Initial Lic - VET	815	\$500	\$625	25%	\$690	10%	\$725	5%	\$800	10%
Biennial Renewal - VET	6,222	\$500	\$625	25%	\$690	10%	\$725	5%	\$800	10%
Application - UNIV	45	\$350	\$440	26%	\$460	5%	\$500	9%	\$540	8%
Initial Lic - UNIV	36	\$500	\$625	25%	\$690	10%	\$725	5%	\$800	10%
Biennial Renewal - UNIV	48	\$500	\$625	25%	\$690	10%	\$725	5%	\$800	10%
Application - RVT	946	\$225	\$250	11%	\$270	8%	\$280	4%	\$300	7%
Initial Reg - RVT	867	\$225	\$250	11%	\$270	8%	\$280	4%	\$300	7%
Biennial Renewal - RVT	3,979	\$225	\$250	11%	\$270	8%	\$280	4%	\$300	7%
Application - VACS	2,198	\$100	\$250	150%	\$270	8%	\$280	4%	\$300	7%
Initial Permit - VACS	2,195	\$100	\$250	150%	\$270	8%	\$280	4%	\$300	7%
Biennial Renewal - VACS	1,186	\$100	\$250	150%	\$270	8%	\$280	4%	\$300	7%

0777 - Veterinary Medical Board Contingent Fund
Analysis of Fund Condition (Dollars in Thousands)

Prepared 3.17.2025

2025-26 Governor's Budget with Pre-FM7 Projections

V3 Model: Four-Steps	Actuals 2023-24	FM7		Step #1		Step #2		Step #3		Step #4			
		CY 2024-25	BY 2025-26	BY +1 2026-27	BY +2 2027-28	BY +3 2028-29	BY +4 2029-30	BY +5 2030-31	BY +6 2031-32	BY +7 2032-33	BY +8 2033-34	BY +9 2034-35	BY +10 2035-36
		BEGINNING BALANCE											
	\$ 8,270	\$ 9,884	\$ 10,226	\$ 8,865	\$ 7,194	\$ 4,847	\$ 4,747	\$ 4,328	\$ 4,674	\$ 4,688	\$ 5,051	\$ 5,062	\$ 5,818
Prior Year Adjustment	\$ -10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 8,260	\$ 9,884	\$ 10,226	\$ 8,865	\$ 7,194	\$ 4,847	\$ 4,747	\$ 4,328	\$ 4,674	\$ 4,688	\$ 5,051	\$ 5,062	\$ 5,818
REVENUES, TRANSFERS AND OTHER ADJUSTMENTS													
Revenues													
4121200 - Delinquent fees	\$ 59	\$ 66	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74
4127400 - Renewal fees	\$ 6,133	\$ 6,359	\$ 6,210	\$ 6,210	\$ 6,210	\$ 6,210	\$ 6,210	\$ 6,210	\$ 6,210	\$ 6,210	\$ 6,210	\$ 6,210	\$ 6,210
4127400 - Renewal fees (incremental increase)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,115	\$ 2,115	\$ 3,017	\$ 3,017	\$ 3,589	\$ 3,589	\$ 4,508	\$ 4,508
4129200 - Other regulatory fees	\$ 144	\$ 134	\$ 131	\$ 131	\$ 131	\$ 131	\$ 131	\$ 131	\$ 131	\$ 131	\$ 131	\$ 131	\$ 131
4129400 - Other regulatory licenses & permits	\$ 1,783	\$ 1,742	\$ 1,847	\$ 1,847	\$ 1,847	\$ 1,847	\$ 1,847	\$ 1,847	\$ 1,847	\$ 1,847	\$ 1,847	\$ 1,847	\$ 1,847
4129400 - Other regulatory license & permits (incremental increase)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 629	\$ 629	\$ 897	\$ 897	\$ 1,068	\$ 1,068	\$ 1,341	\$ 1,341
4163000 - Income from surplus money investments	\$ 391	\$ 335	\$ 140	\$ 106	\$ 72	\$ 70	\$ 64	\$ 64	\$ 64	\$ 64	\$ 64	\$ 64	\$ 64
4171400 - Escheat of unclaimed checks and warrants	\$ 5	\$ 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4172500 - Miscellaneous revenues	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals, Revenues	\$ 8,516	\$ 8,643	\$ 8,402	\$ 8,368	\$ 8,334	\$ 11,076	\$ 11,070	\$ 12,240	\$ 12,240	\$ 12,983	\$ 12,983	\$ 14,175	\$ 14,175
TOTALS, REVENUES, TRANSFERS AND OTHER ADJUSTMENTS													
	\$ 8,516	\$ 8,643	\$ 8,402	\$ 8,368	\$ 8,334	\$ 11,076	\$ 11,070	\$ 12,240	\$ 12,240	\$ 12,983	\$ 12,983	\$ 14,175	\$ 14,175
TOTAL RESOURCES													
	\$ 16,776	\$ 18,527	\$ 18,628	\$ 17,233	\$ 15,528	\$ 15,923	\$ 15,817	\$ 16,568	\$ 16,914	\$ 17,671	\$ 18,034	\$ 19,237	\$ 19,993
Expenditures:													
1111 Department of Consumer Affairs (State Ops)	\$ 6,349	\$ 7,790	\$ 9,215	\$ 9,491	\$ 9,776	\$ 10,069	\$ 10,372	\$ 10,683	\$ 11,003	\$ 11,333	\$ 11,673	\$ 12,023	\$ 12,384
1111 Unanticipated (future) Estimated Costs	\$ -	\$ -	\$ -	\$ -	\$ 356	\$ 367	\$ 378	\$ 389	\$ 401	\$ 413	\$ 425	\$ 438	\$ 451
9892 Supplemental Pension Payments (State Ops)	\$ 80	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9900 Statewide General Admin Exp (Pro Rata) (State Ops)	\$ 463	\$ 451	\$ 548	\$ 548	\$ 548	\$ 548	\$ 548	\$ 548	\$ 548	\$ 548	\$ 548	\$ 548	\$ 548
9900 Statewide General Admin Exp (incremental increase)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192	\$ 192	\$ 274	\$ 274	\$ 326	\$ 326	\$ 409	\$ 409
TOTALS, EXPENDITURES AND EXPENDITURE ADJUSTMENTS													
	\$ 6,892	\$ 8,301	\$ 9,763	\$ 10,039	\$ 10,680	\$ 11,176	\$ 11,489	\$ 11,894	\$ 12,226	\$ 12,620	\$ 12,972	\$ 13,419	\$ 13,793
FUND BALANCE													
Reserve for economic uncertainties	\$ 9,884	\$ 10,226	\$ 8,865	\$ 7,194	\$ 4,847	\$ 4,747	\$ 4,328	\$ 4,674	\$ 4,688	\$ 5,051	\$ 5,062	\$ 5,818	\$ 6,201
Months in Reserve	14.3	12.6	10.6	8.1	5.2	5.0	4.4	4.7	4.6	4.8	4.7	5.2	5.4
Statewide Pro Rata (estimate - proxy)	5%	5%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%

	Step #1	Step #2	Step #3	Step #4
Target Months in Reserve*	4.7	4.7	4.7	5.3
Target Incremental Revenue Increase	\$2,744	\$3,914	\$4,657	\$5,849

*Step #1: 2-Yr Ave 2028-29 through 2029-30
*Step #2: 2-Yr Ave 2030-31 through 2031-32
*Step #3: 2-Yr Ave 2032-33 through 2033-34
*Step #4: 2-Yr Ave 2034-35 through 2035-36

NOTES:

1. Assumes workload and revenue projections are realized in CY and ongoing.
2. Expenditure growth projected at 3% beginning BY+1.
3. Step #1: Effective 7/1/2028.
4. Step #2: Effective 7/1/2030.
5. Step #3: Effective 7/1/2032.
6. Step #4: Effective 7/1/2034.

Option 2

CALIFORNIA VETERINARY MEDICAL BOARD

**LEGISLATIVE PROPOSAL TO AMEND BUSINESS AND PROFESSIONS CODE
SECTION 4905 REGARDING FEE STRUCTURE**

Additions are indicated in single underline.

Deletions are indicated in ~~single strikethrough~~.

Amend section 4905 of the Business and Professions Code as follows:

4905. (a) The following definitions are provided for purposes of this section:

(1) "Small veterinary premises" means a veterinary premises where up to three (3) full-time equivalent veterinarians provide veterinary services.

(2) "Medium veterinary premises" means a veterinary premises where four (4) to eight (8) full time equivalent veterinarians provide veterinary services.

(3) "Large veterinary premises" means a veterinary premises where nine (9) or more full-time equivalent veterinarians provide veterinary services.

(b) The following fees shall be collected by the board and shall be credited to the California Veterinary Medical Board Contingent Fund:

(a1) The veterinarian license application fee shall be ~~not exceed~~ three hundred fifty five hundred forty dollars (~~\$350~~540).

(b2) The California Veterinary Medicine Practice Act course fee shall ~~be set by the board in an amount it determines reasonably necessary to provide sufficient funds to carry out the purpose of this chapter, not to exceed one hundred~~ fifty-five dollars (~~\$400~~155).

(c3) The initial veterinarian license fee shall ~~be set by the board not to exceed five~~ eight hundred dollars (~~\$500~~800).

(d4) The biennial veterinarian license renewal fee shall be ~~not exceed~~ five eight hundred dollars (~~\$500~~800).

(e5) The university licensee application fee shall be ~~not exceed~~ three hundred fifty five hundred forty dollars (~~\$350~~540).

(f6) The initial university license fee shall be ~~not exceed~~ five eight hundred dollars (~~\$500~~800).

(g7) The biennial university licensee renewal fee shall be ~~not exceed~~ five eight hundred dollars (~~\$500~~800).

~~(h) The delinquency fee shall be fifty dollars (\$50).~~

~~(i) The fee for issuance of a duplicate license, registration, or permit shall be twenty-five dollars (\$25).~~

~~(j) Any charge made for duplication or other services shall be set at the cost of rendering the service, except as specified in subdivision (i).~~

~~(k) The fee for failure to report a change in the mailing address shall be twenty-five dollars (\$25).~~

~~(8) The initial small veterinary premises registration fee shall ~~be~~ not exceed five eight hundred forty dollars (~~\$500~~840) annually.~~

~~(9) The annual small veterinary premises registration renewal fee shall ~~be~~ not exceed five nine hundred twenty five ten dollars (~~\$525~~910).~~

~~(10) The initial medium veterinary premises registration fee shall not exceed one thousand one hundred twenty dollars (\$1,120).~~

~~(11) The annual medium veterinary premises registration renewal fee shall not exceed one thousand one hundred ninety dollars (\$1,190).~~

~~(12) The initial large veterinary premises registration fee shall not exceed one thousand six hundred seventy five dollars (\$1,675).~~

~~(13) The annual large veterinary premises registration renewal fee shall not exceed one thousand seven hundred forty five dollars (\$1,745).~~

~~(14) The registered veterinary technician application fee shall ~~be~~ not exceed two three hundred twenty five dollars (~~\$225~~300).~~

~~(15) The initial registered veterinary technician registration fee shall ~~be~~ not exceed two three hundred twenty five dollars (~~\$225~~300).~~

~~(16) The biennial registered veterinary technician renewal fee shall ~~be~~ not exceed two three hundred twenty five dollars (~~\$225~~300).~~

~~(17) The veterinary assistant controlled substance permit application fee shall ~~be~~ not exceed one three hundred dollars (~~\$400~~300).~~

~~(18) The veterinary assistant controlled substance permit fee shall ~~be~~ not exceed one three hundred dollars (~~\$400~~300).~~

~~(19) The biennial veterinary assistant controlled substance permit renewal fee shall ~~be~~ not exceed one three hundred dollars (~~\$400~~300).~~

~~(20) The veterinary assistant controlled substance All license, registration, and permit delinquency fees shall be 50 percent of the renewal fee for such permit in~~

effect on the date of the renewal of the permit, but shall not be less than ~~twenty-five~~ fifty dollars (\$~~25~~50) nor more than one hundred fifty dollars (\$150).

~~(u) The fee for filing an application for approval of a school or institution offering a curriculum for training registered veterinary technicians pursuant to Section 4843 shall be set by the board at an amount not to exceed three hundred dollars (\$300). The school or institution shall also pay for the reasonable regulatory costs incident to an onsite inspection conducted by the board pursuant to Section 2065.6 of Title 16 of the California Code of Regulations.~~

~~(v21) If the money transferred from the California Veterinary Medical Board Contingent Fund to the General Fund pursuant to the Budget Act of 1991 is redeposited into the California Veterinary Medical Board Contingent Fund, the fees assessed by the board shall be reduced correspondingly. However, the reduction shall not be so great as to cause t~~The California Veterinary Medical Board Contingent Fund to shall have a reserve of no less than three months of annual authorized board expenditures. The fees set by the board shall not result in a California Veterinary Medical Board Contingent Fund reserve of more than 10 months of annual authorized board expenditures.