

STATE OF MINNESOTA  
COUNTY OF RAMSEY

BEFORE THE MINNESOTA  
OF VETERINARY MEDICINE

In the Matter of  
Proposed Rules Governing  
Fees Charged by the  
Minnesota Board of  
Veterinary Medicine for  
Examination and License Renewal

STATEMENT OF NEED AND  
REASONABLENESS FOR  
MINN. RULES PTS.  
9100.0400 and 9100.0500

The Minnesota Board of Veterinary Medicine is required to seek an increase in the fees for examination of applicants for licensure and the renewal fees for those currently licensed to practice veterinary medicine in the State of Minnesota.

Minn. Stat. § 214.06, subd. 1, requires all health related licensing boards to generate, through fees, sufficient revenue, such that, the total fees collected will as closely as possible equal appropriations and anticipated expenditures during the fiscal year, and as provided in Minn. Stat. § 16A.128. The existing fee structure is insufficient to cover the anticipated expenses for fiscal year 1986.

The Board has the authority to implement the rules necessary for the change in fees pursuant to Minn. Stat. §§ 156.01, subd. 1, 156.02, subd. 2(1), 156.03, 156.07, and 156.072, subd. 3. Furthermore, authority is granted under Minn. Stat. § 14.05, subd. 1. No local expenditures will be required by implementing these rules.

Several factors necessitate an increase in fees at this time. The fiscal year 1986 shortfall in revenue recovery amounted to \$10,285.00.

Furthermore, the Department of Health required the health related licensing boards to relocate office space. This relocation has resulted in a rental increase of \$2,629.80 over the previous years expenditures. Additional relocation and overhead expenses will total approximately \$3,700.00

Administrative support costs have increased over the previous years. Fees for the services of the Attorney General's Office have been increased, and the Board

has increasingly received additional consumer complaints requiring investigation and referral to the Attorney General. Fees for disciplinary hearings have also been increased.

It is anticipated that the revenue generated by the increase in license renewal and examination fees will closely approximate the legislative biennium appropriation, the increased expenditures to be incurred in fiscal year 1986, together with the recovery of the fiscal year 1986 shortfall.

Table 1 below indicates the amount of revenue generated by the current fee structure:

TABLE 1

<u>Fee Title</u>	<u>Present Fee</u>	<u># Paying Fee</u>	<u>Revenue Generated</u>
Examination Application	\$150	130	19,500
Licensure Renewal	\$20	2,400	48,000
Corporations Renewal	\$25	100	2,500
		TOTAL	<u>70,000</u>

Table 2 below indicates the expenditures anticipated for fiscal year 1986.

TABLE 2

<u>Item</u>	<u>Amount</u>
FY 1985 Shortfall	10,285.00
Rent	5,250.60
Attorney General Fees	20,000.00*
Moving Costs	400.00**
Phone	500.00
Furniture	2,800.00**
Copying Machine	400.00
Revisor Fees	400.00
License Examination Costs (90/exam)	9,000.00
Salaries (includes 5% COLA)	32,104.15
Board Expenses	
Out of state travel	3,782.00
In state travel	4,136.00
Per diem	2,055.00
	subtotal <u>9,973.00</u>

Health Department license  
processing fees 3,700.00

Expenditures Total 95,221.75

- \* Estimate
- \*\* Single year expenditure

The shortfall in revenue generated by the current fee schedule is 23,846.75.

Table 3 below indicates the revenue generated under the proposed fee schedule.

TABLE 3

<u>Fee Title</u>	<u>Proposed Fee</u>	<u># Paying Fee</u>	<u>Revenue Generated</u>
Examination Application	\$185.00	130	24,050.00
Licensure Renewal	30.00	2,400	72,000.00
Corporations Renewal	no change	100	<u>2,500.00</u>
		Total	98,550.00

As Table 3 indicates, the revenue generated under the proposed fee increase will more closely approximate the expenditures of the Board. There is a single expenditure listed for furniture necessitated by the change of office space.

Further, the inclusion of the 5% COLA in the salary for Board personnel will increase the Board's expenditure accordingly.

The increase in the late penalty for filing a renewal of licensure is needed to meet the expenses of the Board in notifying those licensees who have not paid their annual fee within the time period required. Staff expenses in preparing and executing such notification will be met by the increase in the late fee.

Implementation of the revised fee schedule will enable the Board to meet its requisite expenses.

The Board has determined that the statutory requirements of Minn. Stat. §§ 14.131 to 14.20 are not applicable as the rules will be noncontroversial. Furthermore, the Board has determined there will be no impact on small businesses by the implementation of these rules. Minn. Stat. § 14.115, subd. 2.

The approval of the Commissioner of Finance for the increase in the fees proposed was granted May 6, 1986.

FOX RIVER BOND  
ASSOCIATION