

BEFORE THE BOARD OF VETERINARY MEDICINE  
DEPARTMENT OF LABOR AND INDUSTRY  
STATE OF MONTANA

In the matter of the amendment of ) NOTICE OF AMENDMENT  
ARM 24.225.401 fee schedule )

TO: All Concerned Persons

1. On May 23, 2013, the Board of Veterinary Medicine (board) published MAR Notice No. 24-225-36 regarding the public hearing on the proposed amendment of the above-stated rule, at page 814 of the 2013 Montana Administrative Register, Issue No. 10.

2. On June 13, 2013, a public hearing was held on the proposed amendment of the above-stated rule in Helena. In response to public request, the board decided to extend the public comment period deadline from 5:00 p.m., June 21, 2013, to 5:00 p.m., July 19, 2013.

3. On July 11, 2013, the board published the notice of extension of comment period for MAR Notice No. 24-225-36 at page 1171 of the 2013 Montana Administrative Register, Issue No. 13. Several comments were received by the July 19, 2013, comment deadline.

4. The board has thoroughly considered the comments received. A summary of the comments received and the board's responses are as follows:

COMMENT 1: Three commenters supported the fee increase and thanked the board for its work, including policing the profession. One commenter said that an even higher fee would have been supportable if it would help Montana veterinarians do their jobs better and suggested setting up a web site for reportable diseases.

RESPONSE 1: The board acknowledges the comments, but concluded it is not the appropriate entity to provide a web site for reportable diseases. The board suggests the commenter contact the Montana Department of Livestock and its federal counterpart.

COMMENT 2: One commenter reluctantly supported the fee increase, but stated that something needs to be done to manage legal expenses. The commenter suggested that fines should be used to pay legal fees, and if fees continue to increase due to legal issues, the board should just function less effectively, rather than increase fees yet again.

RESPONSE 2: The board notes that its mandate is to protect the public and legal work is integral to doing that. The board always seeks to be as efficient as possible, but cannot be effective without the requisite investigations and prosecutions. The board is unable to deposit fines in the board's funds, as all fines are statutorily

mandated to be deposited into the general fund. A legislative initiative would be required to change this and the board encourages the commenter to contact a legislator.

COMMENT 3: Three commenters opposed the fee increase, stating there is no justification for it, and asked how expenses could increase by \$24,000 or nearly 50 percent in one year and be labeled "other expenses." The commenters noted that fees increased just two years ago, and that the proposed fees are more than other western states' licensing fees. The commenters recommended a two-year renewal program to save money and cutting costs in a state with the lowest per capita veterinary income in the United States.

RESPONSE 3: The board has provided spreadsheets to all interested individuals that outline how fees have increased and for what purposes. Increased expenses have been due to a legislative audit several years ago that changed the department's method of allocating costs to the boards, addition of a new computer database system that is shared among all boards, and increased legal investigations. A two-year renewal cycle has generally been shown not to substantially reduce costs and boards have moved away from that.

COMMENT 4: One commenter asserted that a ten percent annual increase in income would be enviable for most vets, yet the board demands more and fails to explain the "other expenses" of \$20,000.

RESPONSE 4: The board has provided an explanation of the "other expenses" in materials provided in a spreadsheet made available upon request. Additional costs have been due to a legislative audit that changed the method of allocating costs within the department, a new shared computer database system, and increased legal costs.

COMMENT 5: One commenter said the proposed fee increase is outrageous and asserted that operating costs should go down when more work is done electronically. The commenter asked whether poor decision-making and management versus the "DLI trickledown effect" actually necessitated the increase, and noted that Montana already has higher licensing fees than neighboring states.

RESPONSE 5: The board notes that operating costs increase annually for boards as well as for most other enterprises, and the shared expense of a new computer database system was incurred over the past several years. Montana boards are mandated by the legislature to set and maintain fees commensurate with associated costs, so fees among neighboring states are not considered in assessing the relationship between fees and costs in Montana. The board has no control over costs associated with boards in other jurisdictions.

COMMENT 6: One commenter opposed the fee increase primarily because there was no clear reason given for the increase, noting that even the budget information provided was vague and in the "dubious category" of other expenses. The

commenter suggested that the board share numbers of cases, investigations, etc., with licensees.

RESPONSE 6: The board plans to act on the suggestion to share more information with licensees about numbers of cases, investigations, etc., in a manner that preserves confidentiality. Some of the increased expenses, as outlined in previous responses, include a new shared computer database system and increased operating and legal expenses.

COMMENT 7: One commenter opposed the fee increase, stating that it is the second licensing fee increase in three years and requested more information and a better understanding of the overall budget. The commenter asserted that the reasons given for the fee increase were vague and that a 32 percent increase for individual veterinarians is a substantial cost for new veterinarians with student loans to service.

RESPONSE 7: The board has provided budget information to all interested individuals who requested the information. The increase is necessary to keep fees commensurate with costs, which have increased in the past three years due to a new shared computer database system, a legislative audit that required reallocation of expenses amongst boards, and increased legal costs for investigations and prosecutions. The board recognizes that new veterinarians have student loans to service, but the board is mandated to protect the public and cannot accomplish that mandate without appropriate funding through fees that are commensurate with associated costs.

5. The board has amended ARM 24.225.401 exactly as proposed.

BOARD OF VETERINARY MEDICINE  
JEAN LINDLEY, DVM, PRESIDENT

/s/ DARCEE L. MOE  
Darcee L. Moe  
Rule Reviewer

/s/ PAM BUCY  
Pam Bucy, Commissioner  
DEPARTMENT OF LABOR AND INDUSTRY

Certified to the Secretary of State July 29, 2013