



1 BOARDS AND COMMISSIONS

2 Board of Veterinary Examiners

3 (Amended After Comments)

4 201 KAR 16:510. Fees for veterinarians.

5 RELATES TO: KRS 321.190, 321.193, 321.201, 321.211, 321.221, 321.235, 321.320

6 STATUTORY AUTHORITY: KRS 321.193(2), 321.201(1), 321.211(1)–(3), (5), 321.221(1),
7 321.235(1)(c), 321.320

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 321.235(1)(c) requires the Kentucky
9 Board of Veterinary Examiners to promulgate administrative regulations as it may deem necessary
10 and proper to effectively carry out and enforce the provisions of KRS Chapter 321, including to
11 establish authorized fees. KRS 321.211(1) requires veterinarians to pay a renewal fee to the board
12 as a condition of licensure. KRS 321.201 authorizes the board to issue a special permit for the
13 practice of veterinary medicine, and KRS 321.235(1)(c) requires the board to set fees for such
14 special permits. This administrative regulation establishes application, examination, renewal, late,
15 reinstatement, inactive status, and retirement fees for veterinarians, as well as fees for special
16 permits. This administrative regulation also establishes reduced and waived fees for military
17 servicemembers.

18 Section 1. Payment and Submission of Fees.

19 (1) Fees to the board shall be paid by check or money order, or, if available, online payment by
20 debit or credit card. Checks and money orders shall be made payable to the Kentucky State
21 Treasurer.

1 (2) All fees shall be nonrefundable.

2 ~~[(3) In the event the board carry forward balance at the end of a fiscal year falls below~~
3 ~~\$200,000, the board's fees shall automatically increase 20% for the duration of the fiscal~~
4 ~~biennium.]~~

5 Section 2. Examination Fees for Veterinarians.

6 (1) The fee for the North American Veterinary Licensing Examination (NAVLE) shall be paid
7 directly to the International Council for Veterinary Assessment (ICVA), its designee, or current
8 test administrator.

9 (2) The fee for the Kentucky Board of Veterinary Examiners state jurisprudence exam shall be
10 \$100 paid directly to the board.

11 ~~[(3) The fee for an applicant to obtain board approval to retake the NAVLE shall be fifty~~
12 ~~(50) dollars paid directly to the board and attached to the Application for Retake of the~~
13 ~~NAVLE form as found in 201 KAR 16:530 or online equivalent form. In 2024, or at the time~~
14 ~~when the ICVA takes over the NAVLE eligibility review process, whichever is later, the~~
15 ~~KBVE shall no longer accept retake applications or collect retake fees.]~~

16 Section 3. Fees for Special Permits.

17 (1) The fee for a special permit issued by the board pursuant to KRS 321.201 shall be \$200.

18 (2) The fee shall be attached to either the Application for Licensure as a Veterinarian form
19 incorporated by reference~~[as found]~~ in 201 KAR 16:540 or the Application for a Special
20 Permit~~[Retake of the NAVLE]~~ form incorporated by reference~~[as found]~~ in 201 KAR 16:530,
21 or online equivalent forms.

22 (3) A special permit application shall be accepted by the board only if a current Application
23 for Licensure as a Veterinarian is on file with the board or included with the application for

1 **special permit.**

2 **(4)** A special permit shall not be renewed. Following expiration of a special permit, an individual
3 shall reapply for a new special permit pursuant to the limitations established in KRS 321.201.

4 Section 4. Application Fees for Veterinarians.

5 (1) The application fee for a veterinarian license shall be \$350.

6 (2) The fee shall be attached to the completed Application for Licensure as a Veterinarian form
7 **incorporated by reference**~~[as found]~~ in 201 KAR 16:540 or online equivalent form, including
8 all required attachments.

9 Section 5. Renewal Fees for Veterinarian Licenses.~~[:]~~

10 (1) The renewal deadline shall be September 30 of each year ending in an even number. The
11 renewal biennium shall be the time period beginning the day after the renewal deadline to the next
12 renewal deadline.

13 (2) Except as established in subsections (5) and (6) of this section, the biennial renewal fee for
14 licensure as a veterinarian in active status shall:

15 (a) Until June ~~30~~~~[29]~~, 2026, be \$275;

16 (b) Between **July 1**~~[June 30]~~, 2026, and June 30, 2028, be ~~\$495~~~~[\$350]~~; **and**

17 (c) **Between July 1, 2028, and June 30, 2030** ~~[After June 30, 2028]~~, be ~~\$550~~~~[\$400]~~; **and**

18 **(d) Between July 1, 2030, and June 30, 2032, be \$550.**

19 (3) The Renewal Application for Veterinarians form **incorporated by reference**~~[as found]~~ in 201
20 KAR 16:570 or online equivalent form shall be complete, and include all required attachments,
21 continuing education credits, and fee payment.

22 (4) No later than September 30 of the second year of the renewal biennium, the complete package
23 shall be submitted to the board for review and approval.

1 (5) For veterinarians who are initially licensed in the second year of the biennium between 365
2 days and 182 days prior to the end of the renewal biennium, the licensure renewal fee shall be
3 reduced by half during a licensee's first licensure cycle. The late fee for renewal, if applicable,
4 shall not be reduced or waived without board authorization.

5 (6) For veterinarians who are initially licensed in the second year of the biennium between 181
6 days and the last day of the renewal biennium, the licensure renewal fee shall be waived during a
7 licensee's first licensure cycle.

8 (7) Utilization of Renewal Grace Period.

9 (a) During the sixty (60) day grace period established by KRS 321.211(2), a licensed veterinarian
10 who failed to meet the September 30 renewal deadline may continue to function as though licensed
11 until a late renewal application is submitted to and approved by the board.

12 (b) The late fee for biennial renewal shall be \$300 in addition to the renewal fee established in
13 subsections (2), (5), and (6) of this section.

14 (c) The veterinarian shall submit the complete Renewal Application for Veterinarians form
15 **incorporated by reference**~~[as found]~~ in 201 KAR 16:570 or online equivalent form, including
16 all required attachments, continuing education hours, and fee payment, to the board between
17 October 1 and November 30 of a year ending in an even number.

18 (8) A veterinarian's license shall expire if a renewal application package and all attachments, and
19 late fee if applicable, is not submitted to the board by November 30 each year ending in an even
20 number.

21 Section 6. Reinstatement Fees for Veterinarians.

22 (1)

23 (a) Except as established in subsection 2 of this section , and Section 7 of this administrative

1 regulation, if not more than five (5) years have elapsed since the last date of license expiration
2 pursuant to KRS 321.211(6), a veterinarian shall pay a reinstatement fee as established in
3 subparagraphs 1. through 3. of this paragraph to reinstate their license to active status.

4 1. Until June ~~30~~~~29~~, 2026, the licensure reinstatement fee shall be \$675.

5 2. Between July 1~~June 30~~, 2026, and June 30, 2028, the licensure reinstatement fee shall be
6 \$775.

7 3. After June 30, 2028, the licensure reinstatement fee shall be \$850.

8 (b) The applicant shall submit a complete Reinstatement Application for Veterinarians form
9 **incorporated by reference**~~[as found]~~ in 201 KAR 16:540 or online equivalent form, including all
10 required attachments, to the board for reinstatement of their license.

11 (c) A veterinarian shall not apply for a new license during this five (5) year window; a
12 reinstatement application shall be required.

13 (2) If more than five (5) years have elapsed since the last date of license expiration, a veterinarian
14 shall apply as a new applicant to obtain a license in the Commonwealth of Kentucky.

15 Section 7. Inactive Status of License.

16 (1)

17 (a) A veterinarian shall request inactive licensure status in accordance with 201 KAR 16:580.

18 (b) If more than ninety (90) days prior to the renewal deadline or more than 150 days prior to the
19 grace period deadline, the Request for Licensure Status Change form **incorporated by reference**
20 **in 201 KAR 16:580, or online equivalent form,** shall be required, and there shall not be a fee.

21 (c) If less than ninety (90) days prior to the renewal deadline or less than 150 days prior to the
22 grace period deadline, the Renewal Application for Veterinarians form **incorporated by reference**
23 **in 201 KAR 16:570, or online equivalent form,** shall be required, and the required fee shall be

1 paid as established in subsection (2) of this section.

2 (2) Renewal of an inactive veterinary license.

3 (a) The biennial renewal fee for inactive veterinarian licensure status shall be \$100 per renewal
4 biennium.

5 (b) The late fee for biennial renewal of an inactive veterinarian license shall be \$200 in addition to
6 the renewal fee established in paragraph(a) of this subsection, and shall apply to a veterinarian
7 license in an inactive status that was not renewed by September 30 of the second year of the
8 renewal biennium.

9 (c) A veterinarian license in an inactive status that is not renewed by November 30 shall be moved
10 to an expired status.

11 (3) Reinstatement of inactive veterinarian license status to active status.

12 (a) A veterinarian licensee in inactive status may reinstate their license to active status in
13 accordance with 201 KAR 16:580.

14 (b) There shall be a reinstatement fee due at the time of application, as established in subparagraphs
15 1. and 2. of this paragraph.

16 1. For an inactive veterinarian license that has been in inactive status less than twenty-four (24)
17 months:

18 a. Until June ~~30~~30, 2026, the licensure reinstatement fee shall be \$500;

19 b. Between July 1~~June 30~~, 2026, and June 30, 2028, the licensure reinstatement fee shall be
20 ~~\$550~~\$550~~[\$650]~~[\$550]; and

21 c. After June 30, 2028, the licensure reinstatement fee shall be ~~\$600~~\$600~~[\$750]~~[\$600].

22 2. For an inactive veterinarian license that has been in inactive status greater than twenty-four (24)
23 months, the licensure reinstatement fee shall be \$400.

1 Section 8. Retirement of a Veterinary License.

2 (1)

3 (a) A veterinarian may request to retire their license at any time.

4 (b) The one-time fee for this service shall be twenty-five (25) dollars, which shall be attached to a
5 Request for Licensure Status Change form **incorporated by reference**~~[as found]~~ in 201 KAR
6 16:580 or the Renewal Application for Veterinarians form **incorporated by reference**~~[as found]~~
7 in 201 KAR 16:570 or online equivalent forms.

8 (2) Once a license is retired it shall not be reactivated. If a veterinarian holds a retired license and
9 wishes to practice again, they shall apply to the board for a new license to practice veterinary
10 medicine in the Commonwealth of Kentucky.

11 Section 9. Fee Reduction for Military Personnel.

12 (1) If a veterinarian applicant submits a copy of their current military orders or DD-214 (or other
13 documentation acceptable to the board) with their application or renewal paperwork, the board
14 shall waive or reduce fees as established in this section.

15 (a) For active duty military, active reserves, and National Guard service persons, an individual's
16 initial application fees, the Kentucky State Exam fee, and the biennial renewal fees shall be waived.

17 (b) For retired military personnel with twenty (20) or more years of service, an individual's initial
18 application fees shall be waived, and the biennial renewal fees shall be reduced by half, rounded
19 to the nearest whole dollar.

20 (c) For any other military veteran, the initial application fees shall be waived.

21 (d) All other requirements of licensure, including renewal deadlines and continuing education
22 requirements established in 201 KAR 16:590, shall be met.

23 (2) In conformity with federal Pub.L. No 117-333, for a veterinarian applicant who is an active

1 duty servicemember, or whose spouse is an active duty servicemember, all application fees to the
2 board shall be waived if:

3 (a) The servicemember, or the service member's spouse, has their residency relocated to Kentucky
4 for the duration of current military orders;

5 (b) The veterinarian holds at least one (1) license equivalent in scope in another United States
6 jurisdiction;

7 (c) Within ninety (90) days of relocating, the veterinarian registers with the board on the
8 Application for Licensure as a Veterinarian form **incorporated by reference**~~[as found]~~ in 201
9 KAR 16:540 or online equivalent form, in conformity with **this subsection**~~[201-KAR-16:540,~~
10 **Section 1(4)**];

11 (d) The servicemember submits a copy of their current military orders to the board;

12 (e) All veterinarian licenses held in any jurisdiction by the veterinarian remain in good standing;

13 (f) In order to demonstrate compliance with the requirement of paragraph (e) of this subsection,
14 the servicemember or their spouse submits an AAVSB VAULT report to the board; and

15 (g) The veterinarian licensee submits to the authority of the board for the purposes of standards of
16 practice, discipline, and fulfillment of any continuing education requirements.



p.p Michelle M. Shane, Executive Director
on behalf of John C. Park, DVM, Board Chair
Kentucky Board of Veterinary Examiners

2/13/2025
Date

APPROVED BY AGENCY: 9/19/2024, with changes 1/30/2025

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation Number: 201 KAR 016:510

Contact Person: Michelle M. Shane

Phone: 502-564-9905

Email: Michelle.Shane@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This administrative regulation establishes the fees for persons seeking a veterinarian license from the board to gain the ability to practice veterinary medicine in Kentucky, and fees to maintain a veterinarian license and the ability to practice in the commonwealth.

(b) The necessity of this administrative regulation:

This regulation is necessary to establish the fees that the Kentucky Board of Veterinary Examiners (KBVE) approves for veterinarian licensure, as required in KRS 321.190, 321.193, 321.201(1), 321.211, and 321.235.

(c) How this administrative regulation conforms to the content of the authorizing statutes:

KRS 321.235 mandates that the board implement and enforce KRS Chapter 321. KRS 321.190 and 321.211 specifically require the board to charge application, examination, renewal, late, reinstatement, inactive status, and retirement fees.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

This administrative regulation will assist in effective administration by clearly expressing what fees have been approved by the board in order to keep all mandated board programs operational and responsive to constituent needs.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

Updating fees to ensure that the board remains operational, efficient, and responsive to both the public and licensee needs. In 2023, the KBVE attempted to phase in fees per the request of constituents and the Kentucky Veterinary Medical Association. However, the phased in approach has rapidly depleted the board's reserves. This coupled with unanticipated increases in operational and IT costs show projections placing the agency in a budget deficit by F.Y. 2028 if no changes are made. This fee increase is necessary to ensure that the board remains solvent and operational without need of any general funds.

(b) The necessity of the amendment to this administrative regulation:

Changes are necessary to conform with the new Kentucky Veterinary Medicine Practice Act, KRS Chapter 321. The Kentucky Board of Veterinary Examiners has determined this amendment is necessary keep all mandated board programs operational and ensure adequate staffing levels to keep the board responsive to the needs of the public and credential holders. Costs for the board have increased, and it is necessary to raise fees to continue uninterrupted operations.

(c) How the amendment conforms to the content of the authorizing statutes:

KRS 321.235 mandates that the board administer and enforce KRS Chapter 321. KRS 321.190 and 321.211 specifically require the board to charge application, examination, renewal, late, reinstatement, inactive status, and retirement fees.

(d) How the amendment will assist in the effective administration of the statutes:

This amendment shall ensure transparency about the fees associated with applications for licensure as a veterinarian.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

2,638 veterinarians, approximately 5 special permit holders, and future applicants.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment:

Applicants will be required to have paid the fee prior to licensure or permitting, renewal, or reinstatement.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3):

No costs are associated with compliance, as this is a prerequisite for application, renewal, and reinstatement.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3):

Administrative ease of clear communications of the fees associated with licensure.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially:

The KBVE expects costs for all board operations to be approximately \$759,700 annually in the near term.

(b) On a continuing basis:

The KBVE expects costs for all board operations to be approximately \$900,000 annually in future bienniums as new programming is brought online, per the mandates in the modernized Kentucky Veterinary Medicine Practice Act, KRS Chapter 321.

(6) What is the source of the funding to be used for the implementation and enforcement of this

administrative regulation:

KBVE does not receive any general funds. Fees for the KBVE come from license, certificate, permit, and registration fees and fees for services provided by the board, as established in this filing and the other fee filings. Operational costs for the board have increased, and it is necessary to raise fees to continue operations.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

There is no anticipation of an increase in fees to implement this administrative regulation, as the KBVE is already running an administrative program to process applications and an inspection program to ensure compliance.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:

Fees are established directly.

(9) TIERING: Is tiering applied?

Tiering of fees is applied to applications from U.S. military servicemembers. Pursuant to public law Public Law No 117-333, the board provides reduced or waived fees for active-duty military. Discharged and retired military servicemembers are also provided reduced or waived fees associated with licensure as a veterinary technician.

FISCAL IMPACT STATEMENT

Regulation Number: 201 KAR 016:510

Contact Person: Michelle M. Shane

Phone: 502-564-9905

Email: Michelle.Shane@ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 321.193(2), 321.201(1), 321.211(1)–(3), (5), 321.221(1), 321.235(1)(c), 321.320

(2) Identify the promulgating agency and any other affected state units, parts, or divisions:

The promulgating agency is the Kentucky Board of Veterinary Examiners. There are no other affected state units, parts, or divisions.

(a) Estimate the following for the first year:

Expenditures: The KBVE expects costs for all board operations to be approximately \$759,700 annually in the near term. This includes the administration of the veterinarian licensure program, database management, infrastructure, overhead, and contractors, including legal counsel, and investigators.

Revenues: This filing will generate approximately \$1.4 million on a biennial basis. Because veterinarians renew their license only every other year, the annual amount varies significantly. In F.Y.s ending in odd numbers, the regulation will generate only \$190,000; in F.Y.s ending in even numbers, the regulation will generate an additional \$1.2 million. The fees established in this administrative regulation pay approximately 82% of the board's expenses during a biennium.

Cost Savings: This is not a new program. The KBVE expects costs for all board operations to be approximately \$759,700 annually in the near term.

(b) How will expenditures, revenues, or cost savings differ in subsequent years?

The KBVE expects costs for all board operations to be approximately \$900,000 annually in future bienniums as new programming is brought online, per the mandates in the modernized Kentucky Veterinary Medicine Practice Act, KRS Chapter 321. Staff time and database management will be required for record keeping. Costs will also be outlaid for investigative and legal services to enforce the Kentucky Veterinary Medicine Practice Act.

(3) Identify affected local entities (for example: cities, counties, fire departments, school districts):

KBVE does not anticipate that any local entities will be impacted.

(a) Estimate the following for the first year:

Expenditures: N/A.

Revenues: N/A.

Cost Savings: N/A.

(b) How will expenditures, revenues, or cost savings differ in subsequent years?

N/A.

(4) Identify additional regulated entities not listed in questions (2) or (3):

KBVE does not anticipate that any other regulated entities will be impacted.

(a) Estimate the following for the first year:

Expenditures: N/A

Revenues: N/A

Cost Savings: N/A

(b) How will expenditures, revenues, or cost savings differ in subsequent years?

N/A.

(5) Provide a narrative to explain the:

(a) Fiscal impact of this administrative regulation:

Running an administrative program mandated by the General Assembly costs money. There are costs involved to apply for a new veterinarian license, renew or reinstate, pay late fees, maintain an inactive license, or retire veterinarian license, all used to pay programmatic costs and are shared across board operations. KBVE fees have only minimally changed in the past 30 years; the increase in fees is to ensure that the board can pay its bills and remain operational, efficient, and responsive to both the public and licensee needs, while also implementing new programs as mandated by the modernized Kentucky Veterinary Medicine Practice Act, KRS Chapter 321. Expenses include overhead, staffing and benefits, database usage and maintenance, IT for basic operations, maintenance of a website, essential contractors, legal counsel, investigators, etc. These fees shall ensure that the board and its staff remain operational, efficient, and responsive to both the public and constituent needs, while also implementing new programs as mandated by the new Practice Act. Costs for the board have increased, and it is necessary to raise fees to continue operations. Once established and recurring, these fees are anticipated to generate revenue of approx. \$1,400,000 every two years, critical revenue for the functionality of all board services. The fees established in this administrative regulation pay approximately 82% of the board's expenses during a biennium.

(b) Methodology and resources used to determine the fiscal impact:

A large spreadsheet was used to calculate all board revenues, expenditures, proposed fees, and estimated quantities of applications based on historical numbers. Projections were calculated ten (10) years out to F.Y. 2036.

(6) Explain:

(a) Whether this administrative regulation will have an overall negative or adverse major economic impact to the entities identified in questions (2) - (4). (\$500,000 or more, in aggregate)

This administrative regulation shall not have a "major economic impact", as defined in KRS 13A.010(13).

(b) The methodology and resources used to reach this conclusion:

"Major economic impact" means an overall negative or adverse economic impact from an administrative regulation of five hundred thousand dollars (\$500,000) or more on state or local government or regulated entities, in aggregate, as determined by the promulgating administrative bodies. [KRS 13A.010(13)] In most cases, fees from this administrative regulation will be less than \$600 per application or renewal. Reinstatement fees will be slightly higher due to the extra staffing costs related to auditing of continuing education and verification of application materials.

STATEMENT OF CONSIDERATION

RELATING TO 201 KAR 016:510

BOARDS AND COMMISSIONS

Kentucky Board of Veterinary Examiners
(Amended After Comments)

I. The public hearing on 201 KAR 016:510, scheduled for December 23, 2024, at 10:00 a.m. at the offices of the Kentucky Board of Veterinary Examiners (KBVE) was held per request; however, no one appeared at the hearing. Written comments were received during the public comment period, which closed December 31, 2024.

II. The following people submitted written comments:

<u>Name and Title</u>	<u>Agency/Organization/Entity/Other</u>
James Beckman, DVM	Gas Light Equine, Bluegrass Equine Emergency Service, and Three Fans Farms
Kerry Beckman, DVM	Gas Light Equine
Travis Luna, DVM	Luna Veterinary Services
Tammy Smith, DVM	Knox County Veterinary Services, Inc.
Deborah Spike-Pierce, DVM	Rood & Riddle Equine
Erica Tolar, DVM	Bluegrass Veterinary Vision
Agency	Kentucky Board of Veterinary Examiners

III. The following people from the promulgating administrative body responded to the written comments:

<u>Name and Title</u>
John C. Park, DVM, KBVE Chair
Gene Smith, DVM, KBVE Vice Chair
Dianne Dawes, DVM, KBVE Board Member
Tom Dorman, Citizen-at-large, KBVE Board Member
Tim Gardner, DVM, KBVE Board Member
Stephanie Kennedy, DVM, KBVE Board Member
Phil Prater, DVM, KBVE Board Member

Jennifer Quammen, DVM, KBVE Board Member
Amy Staton, EdD, LVT, KBVE Board Member
R. Steve Velasco, DVM, State Veterinarian, Proxy for KDA Commissioner Jonathan Shell
Michelle M. Shane, KBVE Executive Director
Carmine G. Iaccarino, KBVE Legal Counsel

IV. Summary of Comments and Responses

(1) Subject Matter: Inflation and increased costs of business

(a) Comment: Dr. J. Beckman, Dr. Smith – The commentor acknowledges that costs have gone up due to inflation as well in increased responsibilities assigned to the Board in 2023 due to changes in the Kentucky Veterinary Medicine Practice Act, including facility registrations.

(b) Response: KBVE appreciates this acknowledgment. Changes in the national economy and inflation rates are just one factor related to the required fee increases to fund the board. In response to this comment, no changes were made to the administrative regulation.

(2) Subject Matter: Legal Precedents and Fair Regulatory Practices

(a) Comment: Dr. Luna – The commentor states that fee increases by regulatory bodies should align with the principle of reasonableness as seen in precedents across administrative law. In *Chevron U.S.A., Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837 (1984), the U.S. Supreme Court emphasized that administrative regulations must be reasonable, meaning they should have a clear and justifiable connection to the intended purpose of the fee. In this context, the Kentucky Board must demonstrate that its current fee schedule is insufficient and that any proposed changes are essential and proportional to actual costs under legal standards. Without clear justification, such an increase is an excessive burden rather than a legitimate regulatory measure. The commentor makes the assumption that the current application fee structure effectively maintains the licensing system, and states that a 100% increase lacks transparent justification. They state such a fee increase requires a demonstrable connection between fee increases and regulatory needs under legal standards.

(b) Response: KRS 321.235(1)(c) limits the amount of fees eligible to be collected by the Board to “amounts necessary to generate sufficient funds to effectively carry out and enforce the provisions of [the] chapter...” After filing the administrative regulations in October 2024, KBVE voluntarily offered multiple informational meetings via Zoom to discuss the details of the agency’s budget. Those meetings were scheduled for October 30 and November 20, 2024, at 6:30 PM EST to provide as much advance notice as possible for licensees to attend after their typical work hours. This is above and beyond the legal requirement for public comment period and public meetings on regulatory filings. Members of the Board wanted to provide budgetary information and be able to have a dialogue with licensees about any concerns. The meetings were announced via an email blast to all licensees on October 17, 2024, posted on the KBVE

website the same day, and also sent out by the Kentucky Veterinary Medicine Association (KVMA) to their membership. Despite the broad outreach, the October meeting was canceled because the KBVE received only one (1) RSVP. The November meeting was held and, other than KBVE Board Members and staff, had 17 attendees, some of whom were out-of-state special interest groups with a public agenda to modify the Kentucky Veterinary Medicine Practice. All told, there were only 13 licensees of the Board out of 2,547 active veterinarian licensees who attended. Nonetheless, KBVE reviewed the regulatory filings and the budget in detail, showing projections which incorporated required expenditures and estimated revenue for the Board over the next 10 years. There was robust discussion about the budget, and some attendees followed up by submitting comments in writing to the Board with their concerns, as below in this Statement of Consideration (SOC).

Further, KBVE met with the full KVMA board and their advisors on November 8, 2024, for more than two (2) hours to review and answer questions about the agency budget. Following that meeting, no written comment was received from the association. However, verbal comments from some attendees at the KVMA indicated that, while the fee increases were unexpected and seemed high, after reviewing the budget they understood the need for the increases to appropriately fund the Board and its mission to protect the public and guard the profession.

As KBVE is a public agency, all materials and projections used in budget analysis are available to licensees and the public upon request. Simply email Vet@ky.gov with your request for more information. In response to this comment, no changes were made to the administrative regulation.

(3) Subject Matter: Zoom informational meeting held November 20 – Veterinarians raise fees in their business annually

(a) Comment: Dr. Tolar – During the public Zoom meeting, although asking for justification for increases from the Board, the commentor stated they raise fees within their practice on an annual basis.

(b) Response: As noted by the commentor, costs to run any business are not static. KBVE has not raised fees significantly since 2010. In 2023, KBVE proposed a doubling of fees as had been the historical pattern from the Board. Public comments received at the time suggested that the KBVE phase in fees in small amounts over an extended multi-year period. The Board agreed to this request. However, in 2024 the approved budget for the Board changed drastically when contract negotiations failed with the new administration at the Kentucky Department of Agriculture (KDA). Since 2018, KBVE had enjoyed a mutually cooperative relationship with KDA, and contracted there for office space, IT needs, and administrative support for HR and budget. In 2024, the Board could not work out a contract renewal and was forced to move the office to a new, less expensive location. Further, costs for legal counsel and technology needs increased significantly related to the general cost of doing business in 2024. All of these cost increases were unanticipated based on the budget as established in 2022-2023. Consequently, the Board's reserve funds were depleted at a rapid pace. All of these factors combine to mean a

larger fee increase is now needed to replenish those reserves to maintain enough funds to meet operating costs. It should be noted that a strong reserve fund is required for this agency because the revenue stream is uneven: in odd fiscal years, the Board collects fees that cover the majority of operational costs for a two-year period, while in even fiscal years, the Board collects a fraction of those fees, requiring fees from prior years to cover operational expenses. In response to this comment, no changes were made to the administrative regulation.

(4) Subject Matter: Zoom informational meeting held November 20 – No general funds for agency

(a) Comment: Dr. Spike-Pierce – The commentor stated they attended the informational meeting hosted by KBVE during the public comment period wherein the Board informed attendees that the agency does not receive General Funds (tax dollars) to fund any part of the agency’s operations. The commentor asks, “Why is it the duty/burden of the veterinarian to protect the public in the realm of veterinary medicine? If someone is practicing veterinary medicine without a license and the Board needs to investigate, why is this funded by the licensed veterinarians?” They further comment that “it would seem as though revenue generated by taxes should be protecting the public not fees from licensed veterinarians”.

(b) Response: KBVE has no say in the allocation of Kentucky’s tax dollars and is unable to explain why tax dollars are not used to support public protection in the arena of professional licensing. In Kentucky, the cost to administer a professional licensing board, including legal and investigative expenses to enforce the Kentucky Veterinary Medicine Practice Act, has historically been borne by the professions themselves. Besides protection of the public, the Practice Act provides for restrictions on who can practice, ensuring that only qualified practitioners are able to offer competing services, and ensuring that those practitioners who don’t meet standards of practice may be sanctioned or have their license sanctioned. It should be noted that very few states supplement or support professional licensing boards with tax dollars. In response to this comment, no changes were made to the administrative regulation.

(5) Subject Matter: Zoom information meeting held November 20 – Board budget overview

(a) Comment: Dr. Smith – The commentor stated they attended the informational meeting hosted by KBVE during the public comment period which reviewed the Board’s budget and operating expenses in detail. They state that some of the expenses were obviously justified, but some of the budget was confusing, particularly citing the comparison table that showed the contract with KDA side-by-side with Independent operating expenses.

(b) Response: KBVE held a Zoom informational meeting regarding the regulations filed in October 2024 in order to have an open dialogue with licensees about the need for the proposed changes and fee increases. KBVE provided a PowerPoint presentation to the audience, including details about the Board’s expenses, contracts, and budget projections. One slide showed a comparison of the costs associated with renewing the KDA administrative services contract

under the 2024 offer vs. moving the Board to a new office location and being able to hire additional help. A side-by-side comparison showed that May 2024 projections indicated it would be less expensive by nearly \$5,000 / yr for the Board to move to the Kentucky Horse Park and establish completely independent operations than it would be to stay on the KDA campus at the proposed rates. Additionally, KDA stated that should the Board remain on campus, the Department would prohibit KBVE from hiring additional staff. With the new programming required by the General Assembly, additional staff are imperative to operations and meeting constituent needs. In response to this comment, no changes were made to the administrative regulation.

(6) Subject Matter: Zoom information meeting held November 20 – Past and current fee increases

(a) Comment: Dr. Smith, Dr. Tolar – The commentor stated they attended the informational meeting hosted by KBVE during the public comment period which reviewed historical fee schedules. One commentor expressed appreciation for the information Zoom meeting and budget details. The commentors stated they find the proposed fee increases extreme and shocking. Another commentor stated that increasing fees annually over time would be less expensive to licensees than this tremendous increase in fees all at once.

(b) Response: note: Members of the Board have acknowledged that, in hindsight, they should have started raising fees in 2012 to accommodate possible economic changes and inflation. Members have also pledged to raise fees incrementally in the future to avoid large fee increases all at once. However, this does not change the current need. KBVE attempted to phase in the fees in 2023, and in doing so burned through Board reserves that were needed for the next biennium's expenses. Further, due to inflation and increased costs of doing business, rates almost doubled for essential services and contracts, including legal services and administrative services. Because operating expenses for the Board have increased, licensing fees must increase so the agency can have enough money on hand to pay bills for the full biennium. In response to this comment, no changes were made to the administrative regulation.

(7) Subject Matter: Automatic fee 20% fee increase when Board balance falls below \$200,000

(a) Comment: Dr. Spike-Pierce, Dr. Tolar – The commentors did not find the proposed language about automatic fee increases appropriate for a government agency. One commentor asked who is overseeing the Board budget to ensure that the agency remains within the General Assembly authorized allotment of \$759,000. The commentors requested that the language about automatic fee increases be struck.

(b) Response: The agency budget is overseen by the Board, the State Budget Director, and by established policies and procedures of the Finance and Administration Cabinet. Every two years the General Assembly also reviews and passes a State Budget, and KBVE is included in that

budget review. The State Budget establishes a maximum allotment for expenditures by the Board that cannot be exceeded. There are multiple layers of oversight to ensure the Board spends only amounts as authorized by the General Assembly. Following legal review, while [KRS 13A.190](#) allows for emergency regulations, it is the Board's understanding that this does not apply to fees. Legal review also determined that the Board does not have the statutory authority to include in the fee regulations an escalation clause triggered by a low carry forward balance. In response to these comments, the Board removed the language about automatic fee increases.

(8) Subject Matter: Fees for veterinarian licensure – Applications

(a) Comment: Dr. Luna – The commentor states that the average application fee in Indiana, Illinois, Missouri, Ohio, and Tennessee is \$255.

(b) Response: The KBVE is not proposing to change application fees in the proposed revision to this administrative regulation. It should be noted that it is not appropriate to compare rates in one state to rates in another state unless the comparison also incorporates a litany of other factors, including how the licensing agency is funded, the amount of state tax dollars supporting that agency, the agency's staffing levels, agency expenses, the number of credential holders/licenses managed by a board, the number of applications received each year, the number of attrition at each renewal, the number of public complaints and the agency's investigative processes, database costs, etc. A low application fee in one state may be offset by a higher renewal fee, or vice versa. It should also be noted that some states have hidden fees. For example, one KBVE Board Member holds a license in Tennessee. The license renewal fee in TN is \$370 biennially, or equal to \$185 per year. However, TN also charges a "professional privilege tax" of \$400 annually, increasing the overall cost of the license fee to \$585 per year. In response to these comments, the Board did not make any changes to the proposed administrative regulation.

(9) Subject Matter: Fees for veterinarian licensure

(a) Comment: Dr. Luna – The commentor states that proposed fee increase, which is spread out over the next four years, is financially burdensome.

(b) Response: KBVE receives no state general funds (i.e., no tax dollars are provided to the KBVE for operations). However, KBVE is still subject to rate increases from contractors, rates set by the General Assembly, as well as the economy and national inflation rates. The current fee for veterinarian renewal equates to \$11.46 per month, while the proposed increased fees for veterinarian renewal equates to \$20.63 per month in 2026 and \$22.92 per month in 2028. This is an increase of \$9.17 and \$11.46 per month, respectively, over a four-year period. In response to these comments, the Board did not make any changes to the proposed administrative regulation.

(10) Subject Matter: Increase in fees – Request for explanation

(a) Comment: Dr. Spike-Pierce – The commentor requests that the Board provide an explanation of the proposed fee changes for licensure and how it was determined these changes were warranted.

(b) Response: The Board regularly reviews the agency Budget. The state tracks all expenditures and revenues in a financial system called eMARS. Each expenditure and revenue type is assigned an object code, and every penny of expense is accounted for through eMARS tracking. This enables the Board to review all expenses and revenues of the agency. The budget is also reviewed by the State Budget Director and approved by the General Assembly.

Members of the Board are provided a budget report at each regular meeting of the Board, six times per year, detailing the current expenses and providing a look back at expenses for the prior two fiscal years. The Board sets the salaries of its employees, reviews and approves all contracts held by the Board, and approves all expenses, membership, and travel for the Board. Additionally, the Board has a large projections spreadsheet which incorporates all expenditure codes and amounts with all revenue codes and projected income. The spreadsheet projects revenue and expenditures for the next 10 years. In 2024, administrative services contract negotiations failed, and the legal services contract could not be awarded due to low rates. Consequently, the Board inputted the updated numbers into the projections spreadsheet and determined that these increased contractual costs would force the Board into a negative carry forward balance by the end of the next biennium (F.Y.2027-F.Y.2028). For the Board to remain solvent and be able to pay all anticipated agency expenses, the fee schedule needed changed at the earliest possible opportunity. Because the Board receives most of its revenue from veterinarian license renewal, and only receives this revenue once every two years, the Board determined that the most appropriate change to the schedule should be reflected in the veterinarian renewal fee. Changing the fees with this filing would also allow licensees nearly two years to prepare for the increased rate as well. All budget materials are available to the public upon request. In response to these comments, the Board did not make any changes to the proposed administrative regulation.

(11) Subject Matter: Fees for veterinarian licensure renewal in Kentucky by per capita data

(a) Comment: Dr. J. Beckman, Dr. K. Beckman – The commentors state that despite increased costs for doing business in 2024, the proposed fee increases will by 2029 make Kentucky the most expensive state in which to practice veterinary medicine. According to the Indiana Business Research Center (IBRC), Kentucky ranks 47th in per capita income. Given this, Kentucky should not be the most expensive to practice veterinary medicine. The commentors ask for justification for the fee schedule. One commentor asks for justification of increased fees in terms of the current rate of inflation and costs associated with running the KBVE.

(b) Response: The Federal Reserve Bank of Minneapolis offers year-over-year inflation rate statistics at <https://www.minneapolisfed.org/about-us/monetary-policy/inflation-calculator/consumer-price-index-1913-> . According to this website, between 2010 when the KBVE last doubled veterinarian license renewal fees, and 2024, the rate of inflation has increased 44.1%. During this time, KBVE fees remained static, and the Board relied on reserve funds to make up any deficits. With a depleted reserve, the Board is now in a position where it must increase rates or go into the red. However, while it is interesting to look at inflation rates, inflation does not provide a true picture of the Board's budget.

Fees are not calculated based on the per capita income of the citizens of the Commonwealth. Fees are calculated based on the expenses of the agency running the licensing program. There are a variety of factors that go into calculating fees, including how the licensing agency is funded, the amount of state tax dollars supplementing the agency, staffing levels, the number of credential holders/licenses managed by a board across which costs can be distributed, the number of applications they receive each year, the number of attrition at each renewal, the number of public complaints and the agency's investigative processes, agency expenses, contractual costs with vendors, database costs, etc. Some of these factors, such as contractor rates, are influenced by the economy, but the economy has limited bearing on many of these factors.

Finally, Kentucky is not the most expensive state to hold a veterinarian license. KBVE is proposing to increase veterinarian biennial renewal fees to \$495 for the 2026 renewal and to \$550 for the 2028 renewal and beyond. In Texas, the biennial cost for a license is \$680. In Tennessee the biennial cost is \$370, however this sum does not reflect additional (arguably hidden) state fees added to the cost of holding that license, e.g., TN's "professional privilege tax" of \$400 per year, bringing our southern neighbor's fees up to \$585 every years – higher than what is proposed in Kentucky four years from now. States like New York charge only \$287 every three years, but the licensing board is heavily supplemented by state tax dollars. Of note, New York also has over 8,000 licensees paying that fee, compared to only 2,600 veterinarians in Kentucky.

In response to these comments, the Board did not make any changes to the proposed administrative regulation.

(12) Subject Matter: Fees for veterinarian licensure renewal in Kentucky vs. neighboring states

(a) Comment: Dr. J. Beckman, Dr. Luna – The commentors states that according to their research, which was acknowledged by one commentor as a quick internet search of the states around Kentucky, the second and third most expensive places to do business will be California and West Virginia at \$500 for licensure. One commentor clarifies that they are not sure if these states also charge a facility fee. However, the commentors provide a list of fee structures for veterinarian license renewal in select states.

One commentor provided the following list showing fees and the renewal period:

- Indiana \$200/2 years,
- Illinois \$100/2 years,
- Ohio \$155/2 years,
- Missouri \$60/year,
- Kansas \$100/year,
- Colorado \$180/2 years.

The other commentor provided a different list with some of the same states but different fees without a renewal period, noting that they found it perplexing that those states with larger metropolitan areas (e.g., Chicago, Indianapolis, Cincinnati, Memphis, etc.) were able to charge less than what KBVE proposes:

- Indiana \$150
- Illinois: \$300
- Missouri: \$200
- Tennessee: \$200
- Ohio: \$425

The commentors summarize their lists by saying Kentucky will be completely out of line with the other states, and places Kentucky veterinarians at a significant disadvantage. One commentor proposed that the renewal fee increase will dissuade new veterinarians from establishing practice in Kentucky, leading to more veterinary shortages, especially in rural and underserved areas. Finally, they stated that the high fee may discourage out of state veterinarians from maintaining their Kentucky license.

(b) Response: While it is interesting to compare rates in other states, those rates have little impact on the fees in Kentucky. Each state has a different structure and funding mechanism for the jurisdictional board. Most professional licensing boards across the country collect fees from the professionals who are licensed and use those fees to enforce the Practice Act for the profession. In almost all cases, tax dollars are not used. There are some exceptions to this, like the state of New York which supplements board operational costs with tax dollars. Besides the source of revenue, other factors that impact the fee rate include: number of board members and their per diem rate, number of credential types, number of credential holders/licensees for each credential (and how broadly fees are distributed amongst licensees), frequency of renewal, number of staff and their salaries, legal services provider and their rate, investigative services providers and their rate, other service providers and rates, database costs, IT and website costs, number and type of grievances, etc. When looking at fees in Kentucky, the Board must look at its own operating expenses (all of the factors just listed) vs. revenue stream and make adjustments accordingly.

The Board would also like to point out the inherent misinformation in these two comments. Both commentors state they looked online to find the fees of other states. They searched some of the same states, and came up with very different results (e.g., Indiana = \$200 or \$150, or Illinois

= \$100 or \$300, or Missouri = \$60 or \$200). On the other hand, KBVE has reached out directly to the Executive Officers of those licensing boards to obtain information about the fees for various license types, ensuring the accuracy of the information being reviewed. For example, Indiana's renewal fee is \$100 biennially and a Controlled Substances Registration (CSR), also required for veterinarians, is paid at the time of renewal in the amount of \$120 biennially, totaling \$220 every two years. Indiana has about 200 more licensed veterinarians than Kentucky, but the agency is part of a merged agency and shares inspectors and other office resources with the Indiana Board of Animal Health (BOAH), sharing their operational costs with other agencies. They also have only one dedicated employee who indicates backlogs existing in multiple service areas.

Also of note, Kentucky's close neighbor West Virginia charges \$250 / year for renewal, or \$500 biennially. Kentucky is aware of efforts in jurisdictions across the country, like Ohio, to raise their own fees due to increases in the cost of doing business.

As discussed in prior responses to comments, the proposed increase in fees for veterinarian renewal in Kentucky equates to \$20.63 / month in 2026 and \$22.92 / month in 2028. Members of the Board, the majority of whom are practicing veterinarians and pay these same fees, do not feel that this fee level will be a deterrent to individuals choosing Kentucky to practice veterinary medicine. In response to these comments, the Board did not make any changes to the proposed administrative regulation.

(13) Subject Matter: Fees for veterinarian licensure renewal in Kentucky vs. other states

(a) Comment: Dr. Spike-Pierce – The commentor notes they are also licensed in New York and Florida, and do not understand Kentucky's proposed increases when compared to the license fees paid in those other states.

(b) Response: The biennial renewal fee for Florida is \$265, and the fee for New York every three (3) years is \$287. Both Florida and New York are part of large, merged board agencies and share staff, investigators, legal counsel, and other operational costs and resources with other professional licensing boards. New York supplements their professional board with state tax dollars. New York reports about 8,000 veterinarian licensees, and, in 2022, Florida reported more than 4,000 veterinarian licensees, allowing both agencies to distribute costs more broadly amongst the licensee populations

This is different than Kentucky, which is an independent board and carries the full cost of agency administration, paid for by fees for credentials/licenses and services. For more than 10 years, KBVE was housed in the Public Protection Cabinet (PPC) Department of Professional Licensing (DPL) (KRS Chapter 324B). Merged board structures vary greatly state by state, and in some states the merged board structure works well because adequate staff and resources are assigned to each board. In Kentucky, during the time that KBVE was with PPC DPL, the merged model was subpar and did not meet the needs of the Board. In 2018, KBVE left that arrangement for multiple reasons; one key factor in the move was because the constituents of the

agency effectively protested to the Board that they were not receiving responses to their needs for assistance and inquires. Members of the Board who served during that period of KBVE's history relate that the Board was not permitted by PPC to exercise its statutory authority related to needs of the profession, that service for constituents left room for improvement, and that constituent needs were not being met. Members of the Board today who recall that time have vowed not to return to the merged board situation because now, in the current independent situation, the Board is more functional, able to address statutory and regulatory needs of the profession, and much easier for constituents to contact and obtain the answers they need.

In response to these comments, the Board did not make any changes to the proposed administrative regulation.

(14) Subject Matter: Phasing in fees in lower amounts

(a) Comment: Dr. Luna, Dr. Smith – The commentators suggest that if fee increases are needed that they be adjusted more modestly and be gradual.

(b) Response: KBVE attempted to raise fees to an appropriate level in 2023. At that time, commentators suggested a similar solution of phasing in fees. After consideration and based on budget planning completed in early 2023, the Board made changes to the fee schedule to phase in the fees. In 2024, the budgetary situation for the Board changed unexpectedly and dramatically following failed contract negotiations with the then provider of office space and administrative services. Consequently, the Board depleted its monetary reserve at an accelerated rate. Had the fees remained at the level initially proposed, the Board would not be in the situation it is today raising fees again so soon at the proposed rate. Members of the Board have pledged to closely monitor the agency budget to ensure that future fee increases are phased in through small increments. However, in the near future a larger increase is required to ensure the agency remains solvent and begins to reestablish a reserve fund large enough to carry all expenses during a fiscal biennium.

Moving forward, to show commitment to the pledge to raise fees incrementally, KBVE has edited the proposed administrative regulation to establish a framework for small, incremental fee increases after June 2028, laying a foundation to ensure that no large increases occur in the future. Because the agency is required to review and update regulations every seven years, this framework shall trigger future Board Members to review the budget and appropriately set the fee schedule with incremental changes. KRS 321.235(1)(c) limits the amount of fees eligible to be collected by the Board to “amounts necessary to generate sufficient funds to effectively carry out and enforce the provisions of [the] chapter...” In the context of this statute, it must be understood that the Board operates on a biennial budget and requires at least one years operating expenses in reserve, and, in addition to that which is required for the biennium, the Board should maintain a minimum reserve fund of at least one years' operating expenses. This reserve allows for costs associated with legal fees, database upgrades, and unexpected increases from the agency's contractors and other state agency services. In summary, the Board must budget fees to cover two years of expenses and at least one year of expenses in reserve. If the budget is healthy at the

time of the seven-year review, the Board shall have the option to reduce fees or set a zero dollar increase in each two-year period, or they may increase fees incrementally as appropriate to the needs to effectively implement and enforce the provisions of the Practice Act.

In response to these comments, the Board made changes to the proposed administrative regulation to set up a structure for small, incremental fee increases after June 2028.

(15) Subject Matter: KBVE budget projections and overhead costs

(a) Comment: Dr. J. Beckman – The commentor states that they have reviewed the agency’s publicly available 10-year budget projections and they have reached a different conclusion than the 11-member board. The commentor recommends that KBVE cuts its out-of-control overhead by pooling resources with other agencies to reduce costs. The commentor suggests that KBVE review budgets from other state veterinarian boards and model their spending more like those agencies who have lower costs for veterinarians.

(b) Response: While the commentor has looked at the budget projections from the Board, the Members of the Board, including seven (7) other licensed veterinarians and the KDA Commissioner’s proxy, the State Veterinarian, respectfully disagree with the commentor’s conclusions. KBVE Board Members have conducted multiple in-depth reviews of the budget, both individually and as a group. The Board is also constrained by complex governmental budgetary processes and requirements, and has its budget reviewed by the Office of the State Budget Director and the Finance and Administration Cabinet. In the current environment, KBVE rents state owned office space at a rate set by the General Assembly, utilizes computer systems by the state Commonwealth Office of Technology at state established rates, and contracts with the Public Protection Cabinet for use of its state agency database. Additional oversight is provided by the Finance and Administration Cabinet regarding strict rules on procurement processes and contracts, and the State Budget Director’s biennial review of the budget.

Additionally, KBVE has looked at other veterinary licensing board fee structures as well as the factors that impact the setting of those fees: agency structure, number of credential types, number of credential holders/licensees, number of staff, etc., as has been covered in the responses to other commentors above. Agency structure, administration, and services varies significantly among states. However, the ultimate factor to establishing appropriate fees for KBVE is the agency’s own Practice Act mandates, revenue streams, and administrative needs.

KBVE as an agency has experienced all agency model types available: merged with other licensing boards, as an independent partner with other agencies, and as an independent board. In general, while costs are typically somewhat lower in a merged or partnership setting, the ability of the agency to respond to the needs of constituents can be severely restricted, as has been KBVE’s experience in the merged agency setting. Members of the Board agree it is essential that KBVE maintain its autonomy to adequately respond to critical public protection needs, especially in the current regulatory landscape related to the practice of veterinary medicine. Further, it is essential that KBVE maintain adequate staffing levels to quickly and appropriately

respond to public grievances, licensee and constituent outreach, and new programming as assigned by the General Assembly in the modernized Practice Act (2023). In response to these comments, the Board did not make any changes to the proposed administrative regulation.

(16) Subject Matter: Balanced budgets

(a) Comment: Dr. Luna – The commentator states that the Kentucky Board of Veterinary Examiners should explore alternative approaches to achieve financial sustainability rather than transferring this burden to licensed veterinarians. They state there is no reason credential holders should bear the financial weight of regulatory expansion if it is not grounded in necessity. When regulatory bodies become self-sustaining without a direct benefit to those they regulate, it calls into question their role and responsibility in the profession.

(b) Response: As outlined in prior responses to comments, there is substantial and sufficient evidence in the 10-year budget projections for the Board to warrant fee increases in the amounts proposed. By statute, KBVE is only funded through the collection of licensure fees; the General Assembly does not provide any tax dollars to the agency for the mandates of public protection. In the 2023 update of the Kentucky Veterinary Medicine Practice Act, the General Assembly did provide a mechanism for investment of KBVE funds whereby the agency can earn interest on investments. However, to capitalize on this provision KBVE must have substantial reserves in place to establish enough funds to invest. In the future, when the agency is fully funded for each biennium and maintains a one-year cash reserve, any extra funds may be invested for returns, which may allow the Board to lower all fees related to licensure. Until that time, projected to be in F.Y. 2035, KBVE's only option by statute is to rely on annual and biennial fees collected from licensees.

Further, although licensees may not tangibly experience the direct advantages of the licensing board on a daily basis, there are multiple benefits provided by KBVE, both to licensees and the citizens of the Commonwealth. KBVE acts as a gateway to the profession by ensuring that those who wish to practice are fully qualified to do so, protecting the public and providing support to licensees. Professional licensure provides confidence to the public that the services they receive from licensees shall meet basic standards of care and provides an avenue for grievances when those services fail to meet standards. The requirement to maintain a license ensures that practitioners stay current on advances in the practice of veterinary medicine. Licensure also benefits licensees by ensuring competition comes only from qualified practitioners, and when hiring they may have confidence in the skills and abilities of prospective employees who hold a license. Professional licensure levels the playing field for minorities by establishing qualifications based on education and job skills rather than arbitrary exclusionary factors. Additionally, KBVE staff is available to licensees to answer questions about requirements in the law or to facilitate communication with the Board who can provide answers on areas of uncertainty. In response to these comments, the Board did not make any changes to the proposed administrative regulation.

(17) Subject Matter: Impact of high fees on veterinary professionals – new graduates

(a) Comment: Dr. Luna – The commentor stated that new veterinary graduates already struggle with extreme student loan debt in excess of \$150,000. An increase in fees will be a burden to new graduates.

(b) Response: The setting of tuition and fees at the Colleges of Veterinary Medicine (CVMs) / Schools of Veterinary Medicine (SVMs) is outside the KBVE's scope of authority. Members of the Board do sympathize with the debt load of new graduates, recognizing escalating costs to obtain a Doctorate of Veterinary Medicine in recent decades. One of the mandates to KBVE within the Board's scope of authority is to ensure that those licensed to practice are qualified to practice, and that enforcement action is taken against those who practice without a license or those that fail to meet the basic standards of care due to the public. However, the agency's ability to administer licensing and enforcement programs come at a cost. Fees are collected to run these KBVE programs so that the quality of practice, as learned by CVM/SVM students, may be upheld. As a side effect, their chosen profession benefits because licensure is a privilege and cannot be obtained by just anyone who wants to work on animals. According the U.S. Bureau of Labor Statics, the annual mean wage for veterinarians in Kentucky in 2023 is between \$94,060 and \$107,460. Given that the proposed licensure renewal fee for veterinarians is less than \$25 per month, and the benefits regulation provides to both public protection and the profession, Members of the Board do not feel that the application and renewal fees are burdensome on new graduates. In response to these comments, the Board did not make any changes to the proposed administrative regulation.

(18) Subject Matter: Impact of high fees on veterinary professionals – small and rural practices

(a) Comment: Dr. Luna, Dr. Smith – The commentors state that the fee increase would disproportionately affect smaller practices and rural practices who will struggle to absorb the additional costs. One commentor states that larger practices can handle the fee increases better than smaller practices, and that small and rural practitioners may be forced to increase services fees or reduce the scope of services offered to offset the additional financial burden. Another commentor suggests that the Board consider a graduated fee structure based on practice location or size to support small and rural veterinary practices.

(b) Response: Members of the Board do concede that by the very nature of the larger volume of business that larger practices conduct, such businesses may be better positioned to handle fee increases. However, it should be noted that all licensees of the Board receive the same benefits of licensure and other agency services, regardless of the size of their business. Arguably, smaller businesses often interact with the Board on a higher level than large businesses, seeking licensure support and guidance on the regulations, which is at no additional charge for these

requests. The increase in costs for veterinarian licensure renewal in 2026 and 2028 are equal to +\$9.17 and +\$11.46 per month, respectively. Members of the Board, some of whom represent practices in rural areas, do not believe this increase will substantially affect smaller practices and rural practices as suggested by the commentors. Members of the Board believe it would be more detrimental for smaller practices and rural practices to have a licensing Board for the veterinary profession who is underfunded, understaffed, and unresponsive to licensee needs and those needs of the public. In response to these comments, the Board did not make any changes to the proposed administrative regulation.

(19) Subject Matter: Impact of high fees on veterinary professionals – attractiveness of Kentucky as a place for veterinarians to work

(a) Comment: Dr. Luna – The commentor cited statistics about Kentucky regarding life expectancy (3.5 years below the national average) and declining investments in education (cuts of 16% to K-12 funding and 35% to higher education). The commentor asked why a veterinarian would move to a state like Kentucky when they could move to a state like Tennessee where access to education and healthcare are better, there is no state income tax, higher salaries are offered, and professional veterinary fees are cheaper? The commentor states that the proposed fee increase will discourage veterinary professionals from staying in or moving to Kentucky, which will ultimately impact public health due to reduced access to veterinary services and increased costs of available services, especially in rural areas.

(b) Response: The life expectancy for citizens of the Commonwealth and declining investments in education are beyond the KBVE’s scope of authority. The General Assembly has assigned the regulation of the professions of veterinary medicine to KBVE. To comply with the mandates of the Kentucky Veterinary Medicine Practice Act, the Board is empowered to collect sufficient fees to effectively carry out and enforce KRS Chapter 321 and 201 KAR Chapter 16. A lack of appropriate funds to follow through with this mandate shall result in increases in unlicensed practice and a lack of enforcement of the law. Members of the Board believe that this result will be a much higher deterrent to prospective licensees than an extra \$10-12 per month in licensure fees.

It should be noted that in Tennessee, the licensure renewal fee may be lower (\$370 biennially, or equal to \$185 per year) than in Kentucky, but Tennessee also charges an annual “professional privilege tax” of \$400, effectively bringing the cost of licensure renewal up to \$585 per year, which is higher than Kentucky’s proposed rate four years from now.

Kentucky is still a very appealing place to live and work due to the Commonwealth’s low cost of living and the falling state income tax rate. In 2024, KBVE notes the license renewal for veterinarians demonstrated a decrease in attrition rates, despite the increased licensing fee.

KBVE notes that some veterinarian licensees place their license in an inactive status while they work in other areas, which is similar to an escrow – holding the license in place for reactivation at a later date. So as not to deter reactivation of these veterinarian licenses, in

response to these comments, the Board did change the administrative regulation to roll back proposed fee increases for reinstatement of inactive veterinarian licenses moving into back active status to enable their work in the Commonwealth.

(20) Subject Matter: Bureaucracy for the sake of bureaucracy

(a) Comment: Dr. Luna – The commentor expressed the opinion that the fee increases in reality stem from bureaucratic expansion rather than from necessity. The commentor states that veterinarians already contribute significantly to the profession and to public health. They also state that expanding regulatory requirements should be done only when there is a documented and compelling need to address specific regulatory deficiencies. Kentucky has effectively operated under existing veterinary laws and fee structures for many years, leading to questions about the need for additional administrative complexity.

(b) Response: Members of the Board agree that the KBVE has operated in the past with a fee structure that supported most of the programming assigned by the General Assembly. It should be noted that there was a substantial revenue reserve in place that has depleted in recent years due increases in costs to run programs. Additionally, as is evidenced by the lack of enforcement in certain areas of the Kentucky Veterinary Medicine Practice Act, such as lay equine dental practice or temporary and sub-par spay/neuter clinics, Members of the Board do not feel KBVE has effectively and consistently enforced the Practice Act against unlicensed or substandard practice in the past, which is a detriment to the public. To effectively carry out the provisions of the Chapter, including the four (4) new programs added to the Practice Act by the General Assembly in 2023, it is essential to fully fund the agency.

The new programming includes three (3) new license types: Veterinary Facility Registrations, Allied Animal Health Professional (AAHP) permits for Animal Chiropractic Providers (ACP), and AAHP Facility Registrations. The General Assembly has tasked KBVE to collect accurate data on facilities to reliably inform the legislature regarding areas where there are shortages of veterinary services so that they can enact appropriate legislation to support practitioners in these areas. Additionally, KBVE has many grievance case files which document and support the need for registration and additional regulation of veterinary facilities and non-licensee owners. In order to track and enforce these new credential types, KBVE requires additional staff support, upgrades to the licensure database, as well as additional legal services and investigative services support. None of these needs are without cost.

Finally, the economic climate in 2025 is such that the costs to administer the Board have increased substantially. The cost of living has increased and the General Assembly has mandated raises for state employees to assist with retention. The cost of goods and services has increased, including IT equipment and programming needs, office space, and other fees which are set by the government and out of the control of KBVE to negotiate. It should be noted that there are at least nine (9) Members of the Board who are also required to pay licensure fees, and thus are cognizant of the impact these fees have on the businesses they run in the Commonwealth. In

response to these comments, the Board did not make any changes to the proposed administrative regulation.

(21) Subject Matter: Date ranges for step fee increases

(a) Comment: Agency – Following stakeholder discussions, the agency notes that dates associated with phased in fee changes are not consistent across regulations. The agency intended these dates to reflect changes at the start and end of biennial fiscal years.

(b) Response: In response to this comment, the Board adjusted the dates for the phased in fee schedule to match the fiscal year.

(22) Subject Matter: Conformity with KRS Chapter 13A

(a) Comment: Agency – Following legal review, the agency notes changes are necessary to conform with KRS Chapter 13A.

(b) Response: In response to this comment, the Board made edits to the regulation for clarity of intent and conformity with KRS Chapter 13A.

(23) Subject Matter: NAVLE retake application and fee

(a) Comment: Agency – In 2024, the Board signed an updated contract with the International Council for Veterinary Assessment (ICVA) regarding the eligibility review process for the North American Veterinary Licensing Examination (NAVLE), i.e., the national board exam for veterinarians. The ICVA has since taken over the eligibility review process for the NAVLE, which an exam they own. This revenue stream has been discontinued.

(b) Response: In response to this comment, the Board made edits to the regulation to remove provisions for the collection of fees for Board processing of NAVLE eligibility review and retakes, including discontinuation of the application form and entire revenue stream for this service.

(24) Subject Matter: Cooperation with KVMA

(a) Comment: Dr. Smith – The commentor states that they were on the Kentucky Veterinary Medical Association (KVMA) board in 2023 when the Practice Act was updated. At that time, they felt like there was a culture of cooperation and mutual respect in the beginning, but not at the end of the process. They clarify that their comments are not from the KVMA Board, but are personal comments.

(b) Response: The KBVE appreciates the perspective of the commentor. The majority of Members of the Board are also licensees and practitioners and recognize the inherent difficulties in wearing two hats: that of the licensed professional and that of a KBVE Board Member with a mission of public protection. These roles are sometimes in conflict, none more apparent than when Members of the Board must interact with their colleagues on the KVMA Board whose mission is to protect and promote the profession, a mission very different from that of KBVE. The KBVE is limited in its scope of authority by the General Assembly in the Kentucky Veterinary Medicine Practice Act, and also bound by the laws that govern the procedures for agency filings of administrative regulations (KRS Chapter 13A). Members of the Board express their regrets that KBVE and KVMA do not always see eye-to-eye on solutions for the agency. However, Members also strongly believe in continued conversations together, even when that dialogue is difficult. KBVE thanks the commentor and everyone who took time to provide written comment to the Board so that together we can make the best choices for Kentucky. In response to these comments, the Board did not make any changes to the administrative regulation.

(25) Subject Matter: Appreciation for the work of KBVE and its staff

(a) Comment: Dr. J. Beckman – The commentor thanks KBVE and the Members of the General Assembly for taking the time to hear and respond to concerns as outlined in their written letter to the board.

(b) Response: Members of the Board are grateful for every comment that is received during the administrative regulations process, allowing the Board to offer explanations and justification for the proposed changes, including the opportunity to appropriately adjust changes when warranted. Members appreciate the acknowledgment for the agency and its staff, who often go unrecognized by the licensee population for their dedicated civil service to the public and the assistance they offer licensees daily. In response to these comments, the Board did not make any changes to the administrative regulation.

(26) Subject Matter: Public Hearing scheduled date

(a) Comment: Dr. J. Beckman – The commentor expresses frustration that the public hearing for these regulations was scheduled on December 23, just two days before Christmas.

(b) Response: The meeting date for the public hearing required by KRS Chapter 13A is mandated by LRC to fall in a certain date window. This schedule is published on the LRC website at <https://legislature.ky.gov/Law/kar/Pages/KarFaq.aspx> under the heading “Promulgating Agency”, “Filing Information”, “General Reference” – see the schedule for “Filing Deadlines and Dates”, which is updated annually. For a filing in October, the KBVE is required to hold the meeting between December 23-31 while avoiding state holidays (Dec 24-25, and 31). Members of the Board emphasize that this has been very inconvenient for everyone involved, including credential holders who may optionally attend, as well as Board Members and

staff who were required to attend. One reason KBVE offered additional informational meetings via Zoom early in the public comment period was to provide licensees an opportunity to speak before Members of the Board, in a situation similar to that of the Hearing. The online public meetings offered the additional benefit of immediate feedback and dialogue with Board Members, which is different from the public hearing process where attendees may make statements to Members of the Board, but the Board does not respond to comments. KBVE notes that the commentor was able to attend the Zoom meeting on November 20. In response to these comments, the Board did not make any changes to the proposed administrative regulation.

V. Summary of Statement of Consideration and Action Taken by Promulgating Administrative Body

The public hearing on 201 KAR 016:510 was held per request; however, no one appeared at the hearing. Written comments were received during the public comment period. The Kentucky Board of Veterinary Examiners responded to the comment as noted above and amends the administrative regulation as follows:

Page 2

Section 1(3)

Line 2-3

Delete “(3) In the event the board carry forward balance at the end of a fiscal year falls below \$200,000, the board's fees shall automatically increase 20% for the duration of the fiscal biennium.”.

Page 2

Section 2(3)

Line 11-12

Delete “(3) The fee for an applicant to obtain board approval to retake the NAVLE shall be fifty (50) dollars paid directly to the board and attached to the Application for Retake of the NAVLE form as found in 201 KAR 16:530 or online equivalent form. In 2024, or at the time when the ICVA takes over the NAVLE eligibility review process, whichever is later, the KBVE shall no longer accept retake applications or collect retake fees.”.

Page 2

Section 3(2)

Line 17

After “Veterinarian form”, insert
incorporated by reference
Delete “as found”.

Page 2

Section 3(2)

Line 18

After “Application for”, insert the following:

a Special Permit

After “NAVLE form”, insert

incorporated by reference

Delete “Retake of the NAVLE”.

Delete “as found”.

Page 2

Section 3(3)

Line 20

After “(3)”, insert the following:

A special permit application shall be accepted by the board only if a current Application for Licensure as a Veterinarian is on file with the board or included with the application for special permit.

(4)

Page 3

Section 4(2)

Line 1-2

After “Veterinarian form”, insert the following:

incorporated by reference

Delete “as found”.

Page 3

Section 5

Line 3

Delete “:]”.

Page 3

Section 5(2)(a)

Line 9

After “June”, insert the following:

30

Delete “29”.

Page 3

Section 5(2)(b)

Line 10

After “Between”, insert the following:

July 1

Delete “June 30”.

Delete “and”

Page 3

Section 5(2)(c)

Line 11

After “(c)”, insert the following:

Between July 1, 2028, and June 30, 2030

After “;”, insert the following:

and

Delete “After June 30, 2028”.

Page 3

Section 5(2)

Line 12

At the start of the line, insert the following:

(d) Between July 1, 2030, and June 30, 2032, be \$550.

Page 3

Section 5(3)

Line 12

After “Veterinarians form”, insert the following:

incorporated by reference

Delete “as found”.

Page 4

Section 5(7)

Line 7-8

After “Veterinarians form”, insert the following:

incorporated by reference

Delete “as found”.

Page 4

Section 6(1)(a)1.

Line 20

After “June”, insert the following:

30

Delete “29”.

Page 4

Section 6(1)(a)2.

Line 21

After “Between”, insert the following:

July 1

Delete “June 30”.

Page 4-5

Section 6(1)(b)

Line 23-1

After “Veterinarians form”, insert the following:

incorporated by reference

Delete “as found”.

Page 5

Section 7(1)(b)

Line 11

After “Status Change form”, insert the following:

incorporated by reference in 201 KAR 16:580, or online equivalent form,

Page 5

Section 7(1)(c)

Line 14

After “Veterinarians form”, insert the following:

incorporated by reference in 201 KAR 16:570, or online equivalent form,

Page 6

Section 7(3)(b)1.a.

Line 9

After “June”, insert the following:

30

Delete “29”.

Page 6

Section 7(3)(b)1.b.

Line 10

After “Between”, insert the following:

July 1

After “shall be”, insert the following:

\$550

Delete “\$650”.

Page 6

Section 7(3)(b)1.c.

Line 12

After “shall be”, insert the following:

\$600

Delete “\$750”.

Page 6

Section 8(1)(b)

Line 19

After “Change form”, insert the following:

incorporated by reference

Delete “as found”.

Page 6

Section 8(1)(b)

Line 20

After “Veterinarians form”, insert the following:

incorporated by reference

Delete “as found”.

Page 7

Section 9(2)(c)

Line 21

After “Veterinarian form”, insert the following:

incorporated by reference

Delete “as found”.

Page 7

Section 9(2)(c)

Line 22

After “conformity with”, insert the following:

this subsection

Delete “201 KAR 16:540, Section 1(4)”.