



## KENTUCKY BOARD OF VETERINARY EXAMINERS

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## Budget Committee Meeting Minutes

October 30, 2025

Meeting Location: Virtual via Zoom

### BUDGET COMMITTEE MEETING

#### Attendees:

- John C. Park, DVM, KBVE Board Chair, Budget Committee Chair
- Dianne J. Dawes, DVM, KBVE Board Member, Budget Committee Member
- Tom M. Dorman, Citizen-at-large, KBVE Board Member, Budget Committee Member
- Michelle M. Shane, KBVE Executive Director

#### Absent Committee Members:

- Phil E. Prater, DVM, KBVE Board Member, Budget Committee Member

#### Guest Attendees:

- n/a

### PROCEEDINGS

Chair Dr. Park called the meeting to order at 2:05 pm EDT.

Dir. Shane walked through the required KBVE biennial budget submission to the Office of the State Budget Director (OSBD) and the Legislative Research Commission (LRC).

Of note, the OSBD Budget Liaison was new to their position in July and the entry of the biennial budget into KBUD was a new process for Dir. Shane. Together, they worked closely to complete required eMARs and KBUD entries for all sets of required forms: A forms, B forms, C forms, D forms, E forms, etc. Additionally, A4 and B4 forms, Schedule of Planned Contract Activity, and Accounts Payable Exhibit 2 were outside of the eMARS systems and were completed separately. In particular, forms A4 and B4 contained extensive narratives and metrics specific to the KBVE. Given that this was a new process, some errors were identified following the initial submission. The errors were corrected and updated submissions provided to both the LRC and OSBD. The proposed biennial budget is now under review in those offices.

Dr. Dawes joined the meeting at 2:11 pm.

Mr. Dorman joined the meeting at 2:15 pm.



## Highlights from the budget planning:

- Actuals for 2025 came in lower than projected due to:
  - Delay in hiring of third board staff person until the final two weeks of F.Y. 2025 rather than January as planned.
  - Anticipated retirement contributions were less than half the cost of what was relayed by KDA when the budget was created for the year, a savings of approx. \$75,000.
  - Being without legal counsel for the first quarter of F.Y. 2025 meant legal costs were significantly lower than projected.
  - At the same time, grievance case reviews made little to no progress without legal counsel, so there were fewer investigations and investigative costs.
- Working with OSBD and by receiving all the cost projections from various agencies like the Commonwealth Office of Technology (COT) for information technology (IT) needs, the Public Protection Cabinet Division of Insurance (PPC/DOI) for database usage charges, Personnel Cabinet for salaries and benefits, etc., Dir. Shane was able to adjust expenditure projections for the next biennium to be in line with the Board's current allotment amount of \$759,700.
  - COT indicated the agency should plan for cost increases of 8% per year. This seems very high given than individual costs for COT services used by the agency have been published recently showing a decrease in some fee amounts and minimal increases. However, the budget does show the 8% increase per the direction from COT.
  - OSBD indicated to plan for 45% retirement contribution, far less than the 85-90% contribution that was provided by KDA.
  - Slight cost increases were reported from various agencies for health benefits and agency insurance.
  - Costs from PPC/DOI for database use for licenses increases by \$3,000 for a total of \$30,000 for annual database use.
  - Costs from PPC for administrative services support will decrease from \$20,000 annually to an estimated \$7,200 annually due to all the training Dir. Shane has completed in the last year, including over 150 hours in HR to achieve the Human Resources Generalist (HRG) certification, and many hours training in eMARS and other state budget systems to handle paying all the agency's accounts. This contract will be renegotiated for a confirmed amount sometime in early 2026. Dir. Shane would like to continue this contract for one more biennium and then KBVE should be able to discontinue these services and rely on support directly from the Finance and Administration Cabinet and the Personnel Cabinet.
  - As discussed at the last Budget Committee meeting, costs for staff attendance at continuing education offerings other than AAVSB were included. E.g., AVMA Veterinary Leadership Conference, FARB Annual Meeting, CLEAR offerings, KVMA, and KACCA.
  - Association dues for the following organizations were budgeted: AAVSB, CLEAR, FARB, and the Kentucky Livestock Coalition.
  - A Board retreat has been budgeted for each year of the next biennium. It is understood that the Board has requested retreat costs to remain minimal by either hosting through the Kentucky State Parks or at the KBVE office.

- Agency Allotments. The budget plan stays within the current agency allotment but does not include some required costs.
  - OSBD required an Additional Budget Request (ABR) for projected salary increases from the General Assembly of 1% annually.
  - An additional ABR was needed for database upgrades, including registered facility and AAHP license renewals, as well as the anticipated interactive constituent map.
  - OSBD advised that the one-time expenses for these required needs could be asked for through an ABR as a part of the biennial budget package rather than a request for a permanent appropriation and allotment increase. Given that the agency has had two significant allotment increases since 2018, the Budget Director's Office felt an ABR was the best route for KBVE as this time.
- After adjusting all numbers, the good news is that the current fee structure will support Board operations through F.Y. 2034.
  - However, after that time, projected expenditures increase enough with inflation and needed projects, such as database upgrades and the replacement of agency Chromebooks, that the carry forward balance again begins to decline by an estimated \$100,000 per biennium. This would show the Board in the red at approx. F.Y. 2040.
  - Therefore, in F.Y. 2031 the Board must revisit the fee structure for all licenses and make incremental adjustments accordingly to fully fund the agency.
  - Increases in fees at that time should be minimal.
- Another way the Board may address future budgetary shortfalls would be to invest revolving funds through the OSBD to earn interest on the invested funds. The interest would be credited to the KBVE account.
- Money collected from fines can be ear marked to fund the educational awards program. However, a regulation needs created to establish the funding process and to establish a review Committee composed of stakeholder associations, including KVMA, the Kentucky Farm Bureau, and Kentucky Cattleman's. Other associations may include KAEP, KHEAA, etc.

Members of the Committee discussed the above, asked clarifying questions, and for some follow up information:

- Number of KBVE investigative assignments in this year and prior years for comparison. (Not to include ACA inspections.) They would like to understand the costs associated with use of investigators, how this has increased with the higher number of grievances being received, and to determine the number of investigators that the board needs to retain.
- Veterinary facility inspections
  - Discussion regarding the original intent of the Board to include inspections of veterinary facilities as a part of the Practice Act revision. KVMA fought to have inspections removed from the modernization package.
  - Several Members of the Committee reported hearing from licensees that they were upset inspections were removed from the requirements. Many people seem puzzled as to why they must bother with registration if there are no inspections to occur.



- Once all facilities are registered and KBVE gains an understanding of the world of facilities in Kentucky, the Board can revisit an amendment to the Practice Act to include mandatory inspections.
- Dir. Shane expressed that she would still like to explore a reasonable increase in staff salaries for the purpose of retention. She noted that the agency must complete one full biennium as an independent agency with the new programming online to ensure the agency budget can accommodate any proposed increases in salary and benefits costs.

Chair Dr. Park directed that a summary of this information be prepared and presented to the full Board on November 20. At that time, the Board can ask questions and approve the submission.

**A MOTION** was made by Dr. Dorman to approve the Budget Committee meeting minutes from September 11, 2025. The motion, seconded by Dr. Dawes, carried unanimously.

Dir. Shane shared that in January KBVE will host multiple guest speakers on Artificial Intelligence (AI) use in the profession. A regulation may be needed in the interest of public safety and patient protection to setup guiderails for the use of AI technology. The goal is not to stifle its use, but to ensure that AI tools are used safely and appropriately, and to ensure privacy of medical records.

Members of the Committee agreed that the Budget Committee would meet as needed to address requests related to the biennial budget submission and those from the General Assembly during the upcoming legislative session.

## ADJOURNMENT

Chair Dr. Park adjourned the meeting at 3:02 pm.

These meeting minutes were approved by the Board on November 20, 2025.

  
John C. Park, DVM, KBVE Board Chair, Budget Committee Chair

PRESIDING OFFICER: John C. Park, DVM, KBVE Board Chair, Budget Committee Chair  
Minutes Recorded by: Michelle M. Shane, KBVE Executive Director

