

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-1560/3	Introduction Number AB-0163	
Description Elimination of the Department of Safety and Professional Services and the Department of Financial Institutions; elimination of the Educational Approval Board; creation of the Department of Financial Institutions and Professional Standards; transfer of the Veterinary Examining Board to the Department of Agriculture, Trade and Consumer Protection, providing an exemption from emergency rule procedures; requiring the exercise of rule-making authority; and making appropriations		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local:		
<input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Agency/Prepared By	Authorized Signature	Date
DATCP/ Loretta Slauson (608) 224-4890	Jason Gherke (608) 224-4748	4/22/2015

Fiscal Estimate Narratives

DATCP 4/22/2015

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Description Elimination of the Department of Safety and Professional Services and the Department of Financial Institutions; elimination of the Educational Approval Board; creation of the Department of Financial Institutions and Professional Standards; transfer of the Veterinary Examining Board to the Department of Agriculture, Trade and Consumer Protection, providing an exemption from emergency rule procedures; requiring the exercise of rule-making authority; and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

This bill impacts the Department of Agriculture, Trade and Consumer Protection (DATCP) in two areas. The bill transfers consumer protection functions from the Educational Approval Board (EAB) and also transfers the Veterinary Examining Board from the Department of Safety and Professional Services (DSPS) to DATCP. Each of the transferred programs are discussed in further detail within each section.

Transfer of the consumer protection functions from EAB:

The bill would not transfer any positions to DATCP. However, the bill would allow for the one-time transfer of certain funds.

DATCP anticipates absorbing the increased workload that would accompany the transfer of these functions. According to EAB officials, they typically receive about 50 complaints a year, and approximately half of those are elevated to the investigation level. DATCP typically handles enforcement on a complaint basis, and investigations are initiated on a case-by-case basis.

Any immediate costs depend on what information and records transfer to DATCP. If paper records transfer to DATCP, the department will incur those transfer costs and immediate storage costs that match any current RDAs for the records. If the records are also electronic in a database, DATCP will incur the cost of converting that information to our complaint database system. Additional coding may be required for DATCP's system, as well as development of complaint forms and data mapping for existing data.

DATCP also anticipates needing a project position (or LTE) to work on the transition of information, training, compliance, and rule development.

Transfer of the Veterinary Examining Board from DSPS:

This bill transfers the Veterinary Examining Board (VEB) to DATCP. The VEB consists of 8 members (5 licensed veterinarians, 1 veterinarian technician and 2 public members) appointed for staggered 4-year terms. The VEB meets quarterly and is authorized to promulgate administrative rules defining the professional standards and the regulatory policies governing the occupation and activities of veterinarians and veterinary technicians. In addition, VEB determines the education and experience required for obtaining a credential, developing and evaluating credentialing examinations and establishing and enforcing standards of professional conduct.

This bill allows DATCP to conduct investigations, hold hearings and make findings as to whether a person has engaged in a practice or used a title without a required credential.

This bill allows DATCP to determine by rule the fees for each veterinarian and veterinarian technician's initial license, certification, and permit issued, and, if applicable, for renewal of the license, certification, or permit, including late fees, based on the department's administrative and enforcement costs.

Although it is unclear whether the department has been given authority to expend any funds received, this bill establishes an appropriation under s. 20.115 (2) (jm), Stats., to collect all moneys received from issuing and renewing credentials of veterinarians and veterinary technicians. No positions are transferred from DSPS to DATCP for administration of the program.

If transferred to DATCP, VEB would be attached to the Division of Animal Health (DAH). The DAH works to protect animal and human health, and to prevent the spread of serious diseases. Among other things, it:

- * Monitors animal health and disease threats.
- * Regulates Wisconsin's livestock and poultry industry to protect it from devastating diseases. The livestock industry alone accounts for more than half of the state's \$88 billion agriculture industry.
- * Responds to animal disease emergencies and bio-security threats.
- * Licenses animal markets, animal dealers and animal truckers.
- * Licenses farm-raised deer herds, farm-raised deer herds that participate in the Chronic Wasting Disease (CWD) herd status program, and hunting preserves.
- * Licenses fish farms.
- * Licenses dog sellers and dog facility operators that sell or shelter more than 25 dogs per year.
- * Investigates and takes action to control serious animal diseases. Many of these diseases affect not only affect domestic animals, but also humans and wild animals.
- * Regulates the import and movement of animals to prevent the spread of disease.
- * Promotes humane treatment of animals.
- * Manages the National Poultry Improvement Plan, which requires diseases testing when moving or selling poultry to protect public and animal health.

Headed by the Wisconsin State Veterinarian, DAH consists of 44 staff. Of that staff, 16 are animal health inspectors and 3 are companion animal inspectors. The inspectors' responsibilities include enforcing state and federal animal health laws, regulations and standards in an assigned geographic area. Inspectors are responsible for routine inspections on licensed facilities to ensure that facilities are adequate, records are being kept in accordance with law, and that animals are being officially identified and all required disease testing is being completed. Additionally, inspectors conduct investigations related to violations of permit laws, cases of illegal entry of animals, and cases of contagious disease exposure.

DAH also has four license permit program associates that administer the dog sellers, farm-raised deer, fish farm, poultry and animal trucker, market, and dealers license programs.

Revenue Estimates: \$417,460

Based on current fees established and information provided by DSPS where VEB is currently housed, DATCP anticipates receiving approximately \$417,460 in annual revenue.

The following tables show the approximate number of renewing and initial credential holders per profession and the revenue generated by licensing those credential holders, from November 2010 through October 31, 2012 (a two-year period):

Number of Credential Holders*

Credential Type

Veterinary Medicine Renewal 3,201 Initial 361 Total Active 3,385

Veterinary Technician Renewal 1,404 Initial 280 Total Active 1,552

*Note: The total active column does not equal the sum of the initial and renewal columns, since the renewal dates and periods vary, some professionals may reinstate an old license, and some professionals may lose their credential.

The fee is \$75 for an initial license and \$160 for a renewal. The fee is the same for either credential. Qualifying veterans are exempt from these fees. Assuming there are approximately 600 total initial applicants for both credentials every two years and that the current 4,937 active license holders will continue to renew their license, the following table shows the total revenue anticipated for 2015-2017 as well as the anticipated annual revenue:

Initial License Revenue

No. of Initial Licenses for Veterinarians and Veterinarian Technicians 600

Initial License Fee \$75

Total Revenue Available for 2 years(2015-2017) \$45,000

Total Revenue Available Annually \$22,500

License Renewal Revenue

No. of License Renewals for Veterinarians and Veterinarian Technicians 4,937
Renewal License Fee \$160
Total Revenue Available for 2 years(2015-2017) \$789,920
Total Revenue Available Annually \$394,960

Testing/Background Fees:

Before initial veterinarian applicants may be licensed, they must take and pass the North American Veterinary Licensing Examination. The applicant must pay an examination fee to DATCP. Under chs. VE 3 (for veterinarians) and VE 8 (for technicians), Wis. Admin. Code, applicants may not have a conviction record or pending criminal charge relating to an offense the circumstances of which substantially relate to the practice of veterinary medicine (for veterinarians) or technology (for technicians).

It is unclear whether formal background checks are performed on each individual or if the questionnaire attached to each application serves as an assurance that the applicant does not have any criminal charges.

Costs for DATCP:

With the transfer of VEB, DATCP will be responsible for additional duties and costs which are not able to be determined at this time. This section details the workload assumptions DATCP will have after the transfer.

* Overall administration of the veterinary examining program. Provide information regarding the program, develop/modify rules relating to the program, handle complaints regarding veterinarian or technicians to determine whether additional compliance is necessary or violations need follow-up, and to staff, monitor and implement the wishes of the veterinary examining board. Support Veterinary Examining Board activities, including planning and staffing meetings, taking minutes, following up on board requests, etc.

* Provide information to veterinarians and veterinarian technicians regarding how to apply for a credential and to request the appropriate application materials. Applications can be as simple as completion of the appropriate form, submission of supporting documents and payment of the initial credential fee. More complex licensing may require college transcripts, proof of graduation, internships, residencies, criminal background checks confirmation from national associations, information regarding disclosure of previous disciplinary actions, employment verification, proof of insurance, or verification of holding a valid license in another state.

* Collect application questionnaires regarding criminal conduct or conduct background checks on every initial and renewal applicant by having him or her sign an authorization form and entering the applicant's name, birth date and social security number into the Department of Justice system. In addition, in some cases, the associate will have to have the applicant submit fingerprint cards that will also be run through the Department of Justice. The cost of a regular background check is \$7.50 and fingerprint card checks are \$37.50 per applicant. Currently under DSPS, this cost is paid by the applicant. However, under the bill, it is unclear whether the DATCP may charge a fee for this cost. Costs associated with securing information collected for background checks is indeterminate.

* Prosecute violations through formal disciplinary hearings before the board, when so required. DSPS reports an average of 51 complaints received annually regarding veterinary doctors and technicians. Of those complaints, an average of 26 (51%) are opened for investigation. It is unknown how many of these complaints resulted in formal disciplinary hearings or other actions.

* Contract with an entity to provide, hold, and score the North American Veterinary Licensing Examination that is given to initial applicants. If not, DATCP would need to hire testing experts to develop examinations, hold examinations, score examinations, and assist the board in reviewing and approving application and continuing education requirements.

Long-Range Fiscal Implications