Testimony of the Hawaii Board of Veterinary Medicine

Before the Senate Committee on Commerce and Consumer Protection Tuesday, February 4, 2025 9:35 a.m. Conference Room 229 and Videoconference

On the following measure: S.B. 493, RELATING TO VETERINARIANS

Chair Keohokalole and Members of the Committee:

My name is Marcella Chock, and I am the Chair of the Hawaii Board of Veterinary Medicine (Board). The Board appreciates the intent of and offers comments on this bill.

The purposes of this bill are to (1) establish a veterinarian workforce development special fund; (2) establish a fee to be assessed on individuals obtaining and renewing a veterinary license; and (3) establish a veterinarian workforce development loan repayment and scholarship program to assist veterinarians in the State with loan repayments and completion of veterinary medicine educations.

The Board supports the intent of this bill, however it has strong concerns with the measure as currently written, as it would place unrealistic administrative burdens on the Board, and financial burdens on the Board's licensees. The bill proposes that the Board:

- 1. Establish and administer a loan repayment and scholarship program (page 3, lines 19-21);
- 2. Adopt rules to implement and administer the loan repayment and scholarship program, including eligibility requirements and procedures (page 4 lines 14-21 through page 5, lines 1-6; page 6, lines 7-20; and page 7, lines 1-5).

Although other boards may assess fees for the purpose of loan repayment, another organization has statutory the responsibility to establish and administer a special fund of this type. State boards have the authority to, among other things, grant, deny or condition licenses, adopt, amend, or repeal rules; issue declaratory rulings or informal nonbinding interpretations; and issue final orders in disciplinary matters. This

measure requires the Board develop and provide administrative and fiscal oversite of a program which it does not have the expertise or capabilities to execute.

The Board also notes that requiring applicants for licensure to pay the proposed workforce development fee may impose an additional financial hardship on those applicants who are in financial need of repayment loan assistance. The Board suggests the following references to individuals obtaining a license be removed from the workforce development fee sections:

- Page 3, line 11: "obtaining or;"
- Page 5, line 10: "a license is issued or;"
- Page 5, line 18: "issuance or."

Removing this language would be consistent with the existing language in chapter 453-8.8, Hawaii Revised Statutes which assesses the physician workforce assessment fee only on those individuals <u>renewing</u> their license and not on applicants for licensure.

Finally, the Board notes there is a national Veterinary Medicine Loan Repayment Program the within the U.S. Department of Agriculture. The Board encourages the Legislature to continue researching the concepts in this measure through a working group, for appropriate implementation.

Thank you for the opportunity to testify on this bill.

JOSH GREEN, M.D.

SYLVIA LUKE LIEUTENANT GOVERNOR

OFFICE OF THE PUBLIC DEFENDER

EMPLOYEES' RETIREMENT SYSTEM HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

050 THOMAS OF THE PARTY OF THE

LUIS P. SALAVERIA

SABRINA NASIR DEPUTY DIRECTOR

STATE OF HAWAI'I DEPARTMENT OF BUDGET AND FINANCE Ka 'Oihana Mālama Mo'ohelu a Kālā

P.O. BOX 150 HONOLULU, HAWAI'I 96810-0150 ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
ON
SENATE BILL NO. 493

February 4, 2025 9:35 a.m. Room 229 and Videoconference

RELATING TO VETERINARIANS

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill (S.B.) No. 493 proposes to: 1) establish the Veterinary Workforce

Development (VWD) Special Fund (VWDSF) to be administered by the Department of

Commerce and Consumer Affairs' (DCCA) Hawai'i Board of Veterinary Medicine (Board)

to support a new VWD Loan Repayment and Scholarship Program (VWDLRSP); 2) assess

a \$60 VWD fee upon each license issuance or renewal to be deposited into the VWDSF;

3) require the Board to adopt rules pursuant to Chapter 91, HRS; and 4) appropriate an

unspecified sum of general funds for FY 26 and FY 27 to be deposited into the VWDSF

and an unspecified sum of special fund ceiling for the VWDSF for FY 26 and FY 27 to

administer the VWDLRSP.

As a matter of general policy, B&F does not support the creation of any special fund, which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund

appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 493, it is difficult to determine whether the proposed VWDSF would be self-sustaining.

Finally, B&F defers to DCCA on the programmatic impacts of this measure.

JOSH GREEN, M.D. Governor

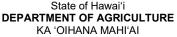
> SYLVIA LUKE Lt. Governor



DEALM MATCHKAMA

DEAN M. MATSUKAWADeputy to the Chairperson

SHARON HURD
Chairperson, Board of Agriculture



1428 South King Street Honolulu, Hawai'i 96814-2512 Phone: (808) 973-9600 FAX: (808) 973-9613



TESTIMONY OF SHARON HURD CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

TUESDAY, FEBRUARY 4, 2025 9:35 a.m. CONFERENCE ROOM 229

SENATE BILL NO. 493 RELATING TO VETERINARIANS

Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee:

Thank you for the opportunity to testify to House Bill No.493. This bill establishes the Veterinarian Workforce Development Special Fund to support recruitment and retention of veterinarians in the State, establishes the Veterinarian Workforce Development Loan Repayment and Scholarship Program to support qualified veterinarians committed to or currently working in veterinary medicine in the State and appropriates funds.

The Department of Agriculture (Department) is in strong support of this bill. The Department currently has 5 vacancies in the Animal Industry Division -- 2 Veterinary Program Managers and 3 Veterinary Medical Officers II – that are hard-to-fill positions. The Department is working with the Department of Human Resources Development to fill Veterinarian positions and this bill would enhance that effort with the incentives provided by this bill.

Thank you again for the opportunity to testify.



People for animals. Animals for people.

Date: Jan. 31, 2025

To: Chair Sen. Jarrett Keohokalole

Vice Chair Sen. Carol Fukunaga

and Members of the Committee on Commerce and Consumer

Protection

Submitted By: Anna Neubauer, CVT, CAWA, President & CEO

Hawaiian Humane Society, 808-356-2217

RE: Testimony in support of SB 493: Relating to Veterinarians

Tuesday, Feb. 4, 2025, 9:35 a.m., Room 229 & Videoconference

On behalf of the Hawaiian Humane Society, thank you for considering our support for Senate Bill 493, which establishes the Veterinarian Workforce Development Special Fund; establishes the Veterinarian Workforce Development Fee to support recruitment and retention of veterinarians in the State; establishes the Veterinarian Workforce Development Loan Repayment and Scholarship Program to support qualified veterinarians committed to or currently working in veterinary medicine in the State; and appropriates funds.

The nationwide shortage in veterinary professionals is acutely felt in our island state. As this measure points out, Hawai'i's generally high cost of living and sky-high housing prices make it extremely difficult to attract veterinarians to return home or relocate to the state, even for salaries that are competitive with mainland locales. Specialists, such as those in shelter medicine, are in particularly short supply and high demand.

As the largest animal welfare nonprofit in the state of Hawai'i, the Hawaiian Humane Society is in strong support of this measure. We have struggled to attract and retain sufficient staffing to meet the demand for services in our shelter veterinary clinic, and our community spay/neuter clinics, the second of which has yet to begin accepting appointments due to staffing shortages. This measure would be a powerful tool to empower local talent to pursue veterinary medicine and bring their skills back home.

Please pass SB493, which is desperately needed to support our animals, pet owners and overworked veterinary professionals. Mahalo for your consideration.

Submitted on: 1/31/2025 10:38:05 PM

Testimony for CPN on 2/4/2025 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Marian Hussenbux	Testifying for Animal Interfaith Alliance in Britain	Support	Written Testimony Only

Comments:

We refer to SB493 Relating to Veterinarians. This measure is intended to increase the number of veterinarians practising in the state through the establishment of a fund to assist with educational costs and student loan repayment.

As it has Hawaiian Humane's strong support, Animal Interfaith Alliance begs to support the Bill.

LEGISLATIVE TAX BILL SERVICE

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS; Board of Veterinary Medicine; Veterinarian Workforce

Development Special Fund

BILL NUMBER: SB 493

INTRODUCED BY: RICHARDS, CHANG, FEVELLA, FUKUNAGA, HASHIMOTO,

KANUHA, MCKELVEY, San Buenaventura

EXECUTIVE SUMMARY: Establishes the Veterinarian Workforce Development Special Fund. Establishes the Veterinarian Workforce Development Fee to support recruitment and retention of veterinarians in the State. Establishes the Veterinarian Workforce Development Loan Repayment and Scholarship Program to support qualified veterinarians committed to or currently working in veterinary medicine in the State.

SYNOPSIS: Adds a new section 471-A, HRS, to establish a Veterinary Workforce Development Special Fund, ("Fund"). The Fund shall be used:

- 1) to support the veterinary workforce development loan repayment and scholarship program established by this measure in section 471-C,
- 2) for recruitment and retention of veterinarians in the state,
- 3) for maintaining accurate veterinarian workforce assessment information and providing or updating personal and professional information maintained in a secure database;
- 4) for providing loan repayment to veterinarians who commit to working in shortage areas in State;
- 5) for providing scholarships to qualifying veterinarians to be determined by the board.

Adds section 471-B, HRS, for a \$60 veterinarian workforce development fee assessed upon license issuance and renewal. This fee shall be deposited to the Fund established by this measure in section 471-A, HRS.

Adds section 471-C, HRS, for a veterinary workforce development loan repayment and scholarship program to be administered by the board to provide financial support to veterinary students and practicing veterinarians who agree to work full-time in shortage areas of the State for a period determined by the board.

The measure appropriates \$_____ or so much thereof as may be necessary out of the general fund for fiscal year 2025-2026 and the same for fiscal year 2026-2027 to be deposited to the Fund established under section 471-A

EFFECTIVE DATE: July 1, 2025.

Re: SB 493 Page 2

STAFF COMMENTS: This bill creates a new special fund to address the shortage of veterinarians in the State. The fund is to be administered by the Board of Veterinary Medicine and is to be fed by appropriations from the general fund and a new fee on veterinary licensing and renewals.

The 1989 Tax Review Commission noted that use of special fund financing is a "departure from Hawaii's sound fiscal policies and should be avoided." It also noted that special funds are appropriate where the revenues to the funds maintain some direct connection between a public service and the beneficiary of that service. The Commission found that special funds which merely set aside general funds cannot be justified as such actions restrict budget flexibility, create inefficiencies, and lessen accountability. It recommended that such programs can be given priority under the normal budget process without having to resort to this type of financing.

Special funds are pots of money that exist for a specific purpose and largely bypass the legislative appropriation process. The existence of hundreds of these special funds has often confounded those who seek answers to simple questions like "How much money does the State have?"

Our Legislature is supposed to be the steward of all state moneys, but special funds make it very easy to lose track of where the money is and how it is being spent. Departments are supposed to tell the Legislature if they have special funds and how much is in them, but let's just say they don't always. Recently, in Report No. 20-01, the State Auditor took DBEDT to task for failing to report \$6.5 million in non-general fund moneys. DBEDT's response? Just that they'll "take corrective action." Not even a "Whoops! We screwed up and promise to do better next time!" This followed closely on the heels of Report No. 19-16, where the Auditor found that \$1.04 million in non-general fund moneys administered by the Attorney General wasn't reported. That department responded that they "shall establish procedures to assure required reports are issued." Is it any wonder that it's getting harder and harder to follow the money and rein in government spending?

Perhaps as a result of the foregoing concerns, the Legislature has itself established criteria for when a special fund may be maintained (HRS section 37-52.3). Those criteria are that the special fund:

- (1) Serves a need, as demonstrated by:
 - (A) The purpose of the program to be supported by the fund;
- (B) The scope of the program, including financial information on fees to be charged, sources of projected revenue, and costs; and
- (C) An explanation of why the program cannot be implemented successfully under the general fund appropriation process;
- 2) Reflects a clear nexus between the benefits sought and charges made upon the program users or beneficiaries or a clear link between the program and the sources of revenue, as opposed to serving primarily as a means to provide the program or users with an automatic means of support that is removed from the normal budget and appropriation process;
- (3) Provides an appropriate means of financing for the program or activity that is used only when essential to the successful operation of the program or activity; and

Re: SB 493 Page 3

(4) Demonstrates the capacity to be financially self-sustaining.

The special fund in this bill appears to be modeled after similar programs that already exist for doctors and nurses here in Hawaii. Perhaps appropriate language could be added to emphasize that the fund is supposed to be self-sufficient.

Digested: 1/31/2025



HAWAII VETERINARY MEDICAL ASSOCIATION P.O. Box 61309, Honolulu, Hawaii 96839-1309

February 3, 2025





Committee on Commerce and Consumer Protection Senator Jarrett Keohokalole, Chair Senator Carol Fukunaga, Vice Chair

RE: SB 493, Relating to Veterinarians

Dear Committee on Commerce and Consumer Protection,

On behalf of the Hawaii Veterinary Medical Association (HVMA), I would like to express our opposition to SB 493 as written. The veterinary community in Hawaii greatly appreciates the acknowledgement of the shortage within the local veterinary workforce and the goodwill of the legislature to strengthen our workforce and ensure public access to veterinary care. However, we have multiple concerns with SB 493 as it seeks to address this shortage by establishing a new special fund and loan repayment scholarship program to be administered by the Board of Veterinary Medicine, as well as levying additional licensing fees upon veterinarians practicing in Hawaii.

As testified by the Board of Veterinary Medicine, the Board does not currently have the expertise or capabilities to provide administrative or fiscal oversight to a special fund or loan repayment scholarship program. Since 1959, Hawaii has participated in the Western Interstate Commission for Higher Education (WICHE) program, which provides Hawaii residents with tuition support for professional health degrees including veterinary medicine through the Professional Student Exchange Program (PSEP). Funds for PSEP are appropriated by the state Legislature and allocated by the Governor on an annual basis. We strongly urge the Legislature to consider funding more PSEP seats for Hawaii veterinary students rather than creating a new special fund and loan repayment program. We also support enforcing the requirement that WICHE PSEP recipients return to Hawaii to work for at least one year for each year of support received following graduation or repay the support received to the state (this service obligation is not currently being enforced, and WICHE PSEP veterinary recipients had a 50% return rate from 2008-2017).

There are a few issues with the proposed additional fee for applying and renewing veterinary licenses in Hawaii. As the intention of SB 493 is to increase the number of licensed veterinarians in the state, it is important to note that raising the state licensing fees by 16.6% will instead discourage individuals from seeking licensure in Hawaii. This is a substantial increase that would raise a veterinary license renewal fee higher than that of human health physicians in Hawaii. As Hawaii's licensing fees are already relatively high compared to other states, this increase will likely have an outsized impact on out-of-state locum veterinarians which Hawaii depends on to fill the current shortages in our veterinary workforce. Furthermore, the revenue generated by this increase is negligible in comparison with the cost of a veterinary medical education (average student debt for veterinary school graduates was \$147,258 in

2022). According to the Department of Commerce and Consumer Affairs, there are 750 vets with active licenses in Hawaii; the proposed \$60 fee increase would generate only \$45,000 every 2 years. This amount does not seem adequate to sustain a successful program to mitigate student debt for enough individuals to substantially increase the veterinary workforce in Hawaii.

There are a myriad of other factors affecting the veterinary shortage in Hawaii besides the cost of education, including the high cost of living, complicated licensing laws and practice restrictions while obtaining licensure in the state, more competitive salaries offered out-of-state, and health professionals seeking work-life balance and personal wellbeing. As SB 493 is unable to address these additional critical factors, the HVMA is skeptical that the proposed loan repayment program would result in any substantial difference in veterinary workforce numbers, but certain that the licensing fee increase would exacerbate the burden upon current veterinary practitioners and likely discourage veterinarians, particularly locums, from seeking licensure in the state.

The HVMA is thankful for your support of our profession and desire to strengthen the veterinary workforce within Hawaii, but we ask that you OPPOSE SB 493 as written, and instead consider alternate routes of supporting veterinarians returning to Hawaii such as increasing funding and enforcement of the already existing WICHE PSEP program.

Thank you for the opportunity to submit testimony. Please contact me if I can be of further assistance.

Sincerely,

Jill Yoshicedo, DVM Executive Vice-President

Hawaii Veterinary Medical Association

<u>SB-493</u> Submitted on: 1/31/2025 5:53:50 PM Testimony for CPN on 2/4/2025 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
joanna p milo	Individual	Support	Written Testimony Only

Comments:

I agree

<u>SB-493</u> Submitted on: 1/31/2025 10:29:40 PM Testimony for CPN on 2/4/2025 9:35:00 AM

	Submitted By	Organization	Testifier Position	Testify
S	tephanie McLaughlin	Individual	Support	Written Testimony Only

Comments:

Please pass this important bill that will help Hawaii's animals.

Submitted on: 2/1/2025 4:07:39 AM

Testimony for CPN on 2/4/2025 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Jennifer Chiwa	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Senator Keohokalole, Vice Chair Senator Fukunaga and Members of the Committee on Commerce and Consumer Protection.

Please vote for SB 493, which I strongly support, to recruit and retain veterinarians in Hawaii.

Mahalo.

Jennifer Chiwa

Makiki

Submitted on: 2/1/2025 5:01:42 AM

Testimony for CPN on 2/4/2025 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Melanie Kim	Individual	Support	Written Testimony Only

Comments:

Hawaii has a dire shortage of vetenarians. I support this bill because supports it increases the number of veterinarians practicing in the state through the establishment of a fund to assist with educational costs and student loan repayment. As a physician and pet owner, I know there have been similar programs to recruit physicians to address the shortage of Hawaii's doctors. Please support the bill to support Hawaii's pets and livestock

<u>SB-493</u> Submitted on: 2/1/2025 5:35:34 PM

Testimony for CPN on 2/4/2025 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Serena Stefanic-Phillip	Individual	Support	Written Testimony Only

Comments:

I am in support of bill SB493.



Submitted on: 2/2/2025 11:12:40 AM

Testimony for CPN on 2/4/2025 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Jane E Arnold	Individual	Support	Written Testimony Only

Comments:

Please support SB493. We have a shortage of veterinarians in Hawaii, which, among other things, makes it diifficult to get pet or feral cats spayed or neutered. This causes overpopulation of cats, which most people consider a problem.

Jane E Arnold

1763 Iwi Way, Apt D

Honolulu HI. 96816



Submitted on: 2/2/2025 4:51:46 PM

Testimony for CPN on 2/4/2025 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Taurie Kinoshita	Individual	Support	Written Testimony Only

Comments:

To the Committee,

I am writing in strong support of SB493.

We need more veternarians in the state, and a fund to assist with costs would benefit this goal immensely.

Thank you for your consideration.

Sincerely,

Taurie Kinoshita



Submitted on: 2/2/2025 8:48:22 PM

Testimony for CPN on 2/4/2025 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Bill Dixon	Individual	Support	Written Testimony Only

Comments:

Hawaii lacks the veterinarians it needs to meet current and projected demand for their services. Growing the veterinary workforce is complicated by the lack of a vet school in the state; the high cost of out-of-state tuition for students from Hawaii along with high levels of student loan debt; and the high costs of relocation and of living in Hawaii when veterinary graduates do locate here.

SB493 will establish a fund to assist with educational costs and student loan repayment. By way of comparison, state-run scholarship and loan-repayment programs have succeeded in attracting health-care professionals to people in rural and underserved parts of the state.

SB493 is intended to increase the number of veterinarians practicing in the state. I urge your strong support for this measure.



Micah C. Brodsky, VMD Individual Testimony

February 2, 2025

RE: SB493 – Oppose in current form – revision needed.

Aloha e Chair Keohokalole, Vice-Chair Fukunaga, and Committee members,

Please accept this written testimony in opposition to SB493, as it is currently written. I would support this bill if Section. 1, Item (2) (Establish a fee to be assessed on individuals obtaining or renewing a veterinary license) were struck from the bill.

I support the intent of SB493, and goal to improve our collective ability meet the current and future need for veterinary services in the state. However, I strongly oppose assessment of an additional fee on veterinary licenses, which would place the financial burden for funding a state subsidy program on a very small community of veterinarians (320 per the Bill) who already fight an uphill battle to provide services for nearly 1.5 million residents in communities across Hawai'i.

I propose that funding to support the Veterinary Workforce Development Special Fund be derived from sources other than from the handful of practicing veterinarians in the state. The need for veterinary services is shared across a broad range of stakeholder communities, such as pet owners, agriculture and aquaculture producers, academic and research communities, and state and federal regulatory agencies. Accordingly, the financial burden for funding a state program to provide debt repayment assistance as an incentive for veterinarians to practice in Hawai'i would be far more easily and effectively shared across nearly a million taxpayers and businesses than placed on 320 veterinarians who already shoulder the financial burdens of practicing and operating the businesses that provide veterinary services to Hawaii's communities.

For reference, the current minimum cost of maintaining licensure to practice veterinary medicine in Hawai'i is \$591/year (not including paying for travel and conference fees to meet the Continuing Education requirements: State vet license = \$360.00/2 years; HI NED Registration = \$115.00/yr; US DEA Controlled Substances Registration = \$888.00/3 years).

Increasing the cost of licensing for all practicing veterinarians in the state to subsidize the loan payments of just a few individuals will not result in making Hawai'i a more attractive or affordable location for veterinarians to live and practice. If anything, it would have the opposite effect.

Thank you,

Micah C. Brodsky, VMD

<u>SB-493</u> Submitted on: 2/3/2025 8:03:55 AM

Testimony for CPN on 2/4/2025 9:35:00 AM



Submitted By	Organization	Testifier Position	Testify
Tania Chong	Individual	Support	Written Testimony Only

Comments:

Veterinarians are essential to our community. I strongly support SB493.

Downtown Honolulu

Submitted on: 2/3/2025 9:57:24 AM

Testimony for CPN on 2/4/2025 9:35:00 AM



Submitted By	Organization	Testifier Position	Testify
Renee Rabb	Individual	Support	Written Testimony Only

Comments:

Mahalo for allowing me to testify in support of SB 493 by Senator Richards. This bill establishes a student loan repayment fund for veterinarians who practice in Hawaii. This is much needed to increase the number of veterinarians. We have a major shortage of vets. Here on the east side of Big Island we do not have 24 hour emergency care and we need it. If you go into vet offices, you will see that they are jammed with animals needing care. The vets here are overworked and although they try very hard, there is a need for more personnel.

Hawaii's young people are interested in staying in Hawaii and making a career for themselves here. This bill will make it easier for us to have local people choose a good profession that benefits the community.

Renee Rabb

Keaau, HI 96749

Submitted on: 2/3/2025 3:20:58 PM

Testimony for CPN on 2/4/2025 9:35:00 AM



Submitted By	Organization	Testifier Position	Testify
Carole R. Richelieu	Individual	Support	Written Testimony Only

Comments:

Stongly support. Hawai'i is in dire need of many more veterinarians. Mahalo for your serious consideration.

Hawai'i Kai