



Testimony
to
The Special Committee on Agriculture and Natural Resources
By Dr. Bill Brown and Dr. Michael Faurot, Division of Animal Health
Kansas Department of Agriculture
October 11, 2013

Good morning, Chairman Love and members of the committee. I am Dr. Bill Brown, Animal Health Commissioner, with the Kansas Department of Agriculture. I am here to provide input on the Animal Facilities Inspection Program and the Pet Animal Act.

The KDA Division of Animal Health provides value to Kansas citizens through oversight, regulation, prevention and control of infectious and zoonotic animal diseases and by focusing on the health of domestic animals in Kansas, including pet animals and livestock raised for food consumption. As the animal industry in Kansas continually changes and evolves so too does the Division of Animal Health.

In the past two and a half years since becoming a part of the Kansas Department of Agriculture, the Division of Animal Health has evolved, especially in the areas of personnel and technological capabilities, to improve our ability to provide animal health support to the state. Specifically looking at our technical and animal health expertise, we have increased our veterinary medicine proficiency by transitioning from a program with three veterinarians on staff to one with seven, including hiring a veterinarian to serve as program manager of the Animal Facilities Inspection (AFI) program. Additionally, AFI has four inspectors in the field each day working with pet animal facilities.

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Resistance to new technologies is not an option in today's world of 24-hour connectivity. Two years ago, the Division of Animal Health was processing nearly every document by hand. Today, the division has transitioned to a near paperless environment. An investment in an electronic file cabinet, called USAHerds, has enabled us to manage electronic files for animal disease traceability and also AFI. Close collaboration with our partners in Colorado will result in enhancements to our USAHerds program that will enable the Division of Animal Health to go to a completely paperless environment in 2014. This new technology will result in increased efficiency for our inspectors and a database with more reliable and validated information. Kansas and Colorado have also collaborated to produce an electronic certificate of veterinary inspection (eCVI) for small animals moving interstate. This technology is now used in more than 20 states across the country.

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Finally, the division has worked diligently to revise all animal health regulations, including the pet animal regulations, in Kansas to make them easier to find, easier to read and more applicable to today's business practices. AFI Program Manager Dr. Michael Faurot will discuss in more detail with you the pet animal regulatory changes under consideration currently. The changes being proposed have already been vetted by the Pet Animal Advisory Board and are going through the full regulatory process in the state. When finalized, the regulatory changes will reduce our regulatory footprint by half compared to current regulations on the books.

The Division of Animal Health works each day to serve the dynamic Kansas agricultural sector. As the industry changes, as consumer demand shifts, and as we deal with fluctuating markets and uncertainty from the federal government, we look to partnering with you ensure we are adequately serving animal agriculture in

Kansas. I will now turn the podium over to Dr. Faurot to provide more details about the AFI program. Then we will both be available for questions.

Good morning, Chairman Love, and members of the committee. I am Michael Faurot, AFI program manager at the Kansas Department of Agriculture. I will start by providing you an overview of the AFI program before discussing proposed regulatory changes and preview some issues that may require legislative attention in the 2014 session.

The AFI program is dedicated to supporting the companion animal industry in Kansas. The American Pet Products Association estimates that in 2012, 68 percent of households owned pets and that the pet industry will generate an estimated \$55.53 billion dollars in 2013. The AFI program plays an essential role in ensuring that Kansas remains a leader amongst states in the companion animal community.

The AFI program regulates companion animal facilities required to be licensed under the provisions of the Kansas Pet Animal Act. The Act requires licensing and inspection of all dog and cat breeders that produce, offer or sell three or more litters during the state fiscal year, pounds and shelters, pet shops, research facilities, distributors, out-of-state distributors, boarding facilities, animal rescues and pet animal foster homes. AFI program staff maintains licenses, health papers and correspondence pertaining to the program. The program's four field inspectors inspect licensed facilities and investigate complaints. Slides one in the handout provide you a geographical depiction of service areas our inspectors cover.

Changes to the program's record-keeping process in the past several years have resulted in a more reliable database. As the database continues to be upgraded, new trends and indicators will be available which will allow us to focus education on specific license types, violation types, and even geographical areas. Licensees and inspectors will be able to more easily identify rules and regulations pertaining to a specific violation and will better understand what constitutes a passed versus a failed inspection.

As of the beginning of October 2013, there are 916 active AFI licenses in Kansas. In fiscal year 2013, the program completed approximately 1,300 inspections with an 85 percent pass rate on the first inspection. The remaining slides provide you more information regarding the programs licenses, complaints and inspection rates.

Over the last year, we have made great strides in staying among the top programs in the United States. During this time, I have had the opportunity to communicate with many different states and most echo the same sentiment – Kansas is and continues to be a model state for companion animal oversight. As we look to the future, we envision continued growth and success through communication, education and effective oversight. The program will continue implementing new technologies and communications tools to increase our efficiency and improve accuracy in our database. We will increase public outreach to increase awareness about the program and educate about disease prevention. I would like to add an enhanced position to further assist with inspections, investigations, locating and licensing unlicensed facilities and increasing education. Making this vision a reality will require close coordination between the program, pet animal facilities in Kansas, the Pet Animal Advisory Board and you as members of the Kansas Legislature.

The AFI program has the opportunity to work closely with the active Kansas Pet Animal Advisory Board. We have filled positions on that board that were vacant for many years and are pleased to have the support of Governor Brownback on this important advisory board. At the board meetings, we spend a great deal of time discussing the Pet Animal Act and regularly seek advisory input from the board on the program. As we look to the future, we will continue to engage the board in the program.

The AFI program has undertaken a complete review of our regulations and is in the process of proposing some regulatory changes. At KDA, we have a regulation development review process, and we are in the stage one, or the development stage, with this effort. Our next steps will include further internal review and

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development of a public outreach plan to educate and raise awareness about the proposed changes. The regulatory changes under consideration include the following:

- Updated fee section based on addition of rescue network shelter;
- Establish an inspection schedule using a performance-based inspection scheme;
- Consolidate the regulations such that a set of general requirements will apply to all license types, rather than entirely separate sets of standards for each license type;
- Establish a new definitions section, placing all definitions applicable to the AFI program in one location;
- Establish the “rescue shelter network” as a type of animal shelter licensee;
- Allow animal shelters and rescue shelter networks to utilize pet animal foster homes, which would operate subordinate to the animal shelter or rescue shelter network; and
- Allow for animal shelters or rescue shelter networks to conduct mobile adoption events.

Beyond the regulatory process, there are some areas in the Kansas Pet Animal Act that will require legislative action to affect necessary change for the program. First, animal breeders and distributors licensed with the U.S. Department of Agriculture (USDA) are exempt from KDA “adequate veterinary medical care” requirements in K.S.A. 47-1701(dd)(4). This creates two primary concerns:

- Many USDA facilities are also licensed with KDA, but our inspectors do not get access to USDA veterinary care records for these facilities. This is a challenge for state inspectors.
 - USDA facilities may import adult dogs and cats from outside Kansas and KDA inspectors have no way of verifying that the animals arrived with a proper certificate of veterinary inspection.
 - KDA inspectors have had situations where they have a health, safety, and welfare concern with an animal at a USDA breeder that is not a breeding animal. The KDA inspectors cannot see vet records for this animal even though USDA will not address the situation since it is not a breeding animal.
- In 2012, the Kansas legislature added the “failure to provide adequate veterinary medical care” or “the failure to maintain or provide documentation of the provision of adequate veterinary medical care” as reasons the Commissioner may suspend or revoke a permit in K.S.A. 47-1706. If the veterinary medical care requirement does not extend to USDA licensees then neither will the ability to suspend or revoke a license if the requirements are not being met.

Second, there are a large number of licensee categories. A smaller number of categories may be simpler and less confusing with no negative impact on licensees.

- Animal Breeder/Retail Breeder – The definitions of animal breeder and retail breeder hinge on whether an individual sells primarily to wholesale or retail. However, this split was made in attempt to differentiate breeders with USDA licensees (mostly animal breeders) and breeders without USDA licenses (mostly retail breeders). Because this split was not precise, there ended up being the following categories:
 - Animal Breeder without a USDA License
 - Animal Breeder with a USDA License
 - Retail Breeder License without a USDA License – RBS
 - Retail Breeder License with a USDA License – RBU

This licensing process could be streamlined into two categories: Breeders with a USDA license and Breeders without a USDA license. As the legislative session nears, we will need your help to make these important changes to the AFI program.

It is incumbent upon us as public servants to be good stewards of all fiscal resources, including state general funds, fee funds or other financial resources, especially during times of tight budgetary situations. AFI

chg in fee + SGF support

makes up 19 percent of the animal health budget but receives 45 percent of the animal health state general fund (SGF) dollars. Animal disease control programs receive fee revenue that funds 80 percent of their budget and the Brands program receive fee revenue that funds 100 percent of their budget. AFI only funds 48 percent of its budget with fees.

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The goal of the AFI program is to bring all hobby breeders, animal breeders, retail breeders, distributors, animal shelters, pet shops, and research facilities in Kansas into compliance with the statutes and rules and regulations pertaining to companion animals. In order to perform these functions the program has seven positions of which five are located in the field (one of positions is funded but currently vacant). To maintain existing staffing levels, the program is requesting an enhancement of \$67,000 through SGF or fees. Another \$50,000 is necessary to replace SGF currently used in the AFI program that needs to be shifted back to the Animal Disease Control program to fund existing positions. In addition the program would like to increase the duties of a field inspector position to focus more on standardization of inspectors and outreach to the regulated entities within the program. This position would also follow up on complaint investigations of both licensed and unlicensed facilities, licensees that have failed to maintain compliant facilities, and those individuals who have entered into consent agreements with the agency. In order to fulfill our mission we need to be able to manage these special cases without impacting routine inspection duties. This position enhancement would be an additional \$15,000 bringing the total program request to \$132,000.

KDA has intensively reviewed the AFI program and evaluated the need for additional resources in order to meet basic program needs and make targeted enhancements. There are two ways to address this budgetary shortage – increase the State General Fund (SGF) allocation to the program or increase fees. KDA unsuccessfully pursued a fee increase during the 2013 legislative session. The proposed fees were voted on and approved by the advisory board and were based on suggestions by both KDA and the board. Looking to 2014, we will continue to work with the advisory board, and with you and other members of the Kansas legislature to ensure this program is financially stable.

Thank you for the opportunity to speak with you today. I will stand for questions at the appropriate time.

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