

Physical Therapist Licensing Board  
Biennium Budget Comparison  
2007/2009 to 2009/2011

	TOTAL	TOTAL	TOTAL	% of
	Jul '07 - Jun 09	Jul '09 - Jun 11	INCREASE (DECREASE)	Change
Ordinary Income/Expense				
4000 · Income				
4100 · Physical Therapists				
4110 · PT Exam Applications	32,000.00	32,000.00	0.00	0%
4120 · PT Endorsement Applications	60,000.00	60,000.00	0.00	0%
4125 · PT Temporary Permits	5,200.00	4,000.00	-1,200.00	-23%
4130 · PT Renewals	580,000.00	600,000.00	20,000.00	3%
4140 · PT Delinquent Renewals	5,200.00	4,000.00	-1,200.00	-23%
4150 · PT Duplicate Licenses	2,000.00	2,000.00	0.00	0%
4160 · PT Wall Certificate	200.00	400.00	200.00	100%
4170 · PT Civil Penalties	20,000.00	18,000.00	-2,000.00	-10%
Total 4100 · Physical Therapists	<u>704,600.00</u>	<u>720,400.00</u>	<u>15,800.00</u>	<u>2%</u>
4200 · Physical Therapist Assistants				
4210 · PTA Exam Applications	12,000.00	12,000.00	0.00	0%
4220 · PTA Endorse Applications	12,000.00	12,000.00	0.00	0%
4225 · PTA Temporary Permits	1,000.00	1,200.00	200.00	20%
4230 · PTA Renewals	120,000.00	96,000.00	-24,000.00	-20%
4240 · PTA Delinquent Renewals	3,200.00	2,000.00	-1,200.00	-38%
4250 · PTA Duplicate Licenses	200.00	200.00	0.00	0%
4260 · PTA Wall Certificate	0.00	200.00	200.00	
4270 · PTA Civil Penalties	5,000.00	4,000.00	-1,000.00	-20%
Total 4200 · Physical Therapist Assistants	<u>153,400.00</u>	<u>127,600.00</u>	<u>-25,800.00</u>	<u>-17%</u>
4300 · PT & PTA Combined				
4330 · PTand/or PTA Mailing Diskette	28,000.00	36,000.00	8,000.00	29%
Total 4300 · PT & PTA Combined	<u>28,000.00</u>	<u>36,000.00</u>	<u>8,000.00</u>	<u>29%</u>
4400 · PT/PTA License Verification Fee	14,000.00	16,000.00	2,000.00	14%
Total 4000 · Income	<u>900,000.00</u>	<u>900,000.00</u>	<u>0.00</u>	<u>0%</u>
5100 · Payroll Costs				
5132 · FICA (SS + Medicare)	29,600.00	34,980.00	5,380.00	18%
5133 · FICA Admin Fee	0.00	40.00	40.00	
5110 · Gross Salaries	387,000.00	457,144.00	70,144.00	18%
5136 · Mass Transit Tax	2,400.00	2,844.00	444.00	19%
5140 · Employee Benefits				
5141 · PERS ER Paid EE Cont	23,300.00	27,424.00	4,124.00	18%
5142 · PERS ER Admin Contribution	24,800.00	9,416.00	-15,384.00	-62%
5143 · Obligation Bond Debt Repayment	24,700.00	27,200.00	2,500.00	10%
5144 · Workers Compensation	360.00	360.00	0.00	0%
5146 · PEBB Medical/Dental Insurance	62,100.00	85,932.00	23,832.00	38%
Total 5140 · Employee Benefits	<u>135,260.00</u>	<u>150,332.00</u>	<u>15,072.00</u>	<u>11%</u>
5150 · Employee Training	6,000.00	4,800.00	-1,200.00	-20%
5190 · Board Stipends	9,600.00	13,200.00	3,600.00	38%

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Total 5100 · Payroll Costs	569,860.00	663,340.00	93,480.00	16%
5600 · Travel Costs				
5610 · Instate Travel				
5612 · Lodging	2,400.00	3,600.00	1,200.00	50%
5614 · Airfare/Mileage	8,400.00	6,600.00	-1,800.00	-21%
5616 · Meals	1,200.00	1,440.00	240.00	20%
5618 · Other Travel Costs	240.00	240.00	0.00	0%
Total 5610 · Instate Travel	<u>12,240.00</u>	<u>11,880.00</u>	<u>-360.00</u>	<u>-3%</u>
5620 · Out of State Travel				
5622 · Lodging	2,400.00	2,400.00	0.00	0%
5624 · Airfare/Mileage	2,400.00	2,400.00	0.00	0%
5626 · Meals	720.00	720.00	0.00	0%
5628 · Other Travel Costs	240.00	240.00	0.00	0%
Total 5620 · Out of State Travel	<u>5,760.00</u>	<u>5,760.00</u>	<u>0.00</u>	<u>0%</u>
Total 5600 · Travel Costs	18,000.00	17,640.00	-360.00	-2%
6100 · General Office Expenses				
6110 · Copier	1,200.00	1,200.00	0.00	0%
6120 · Printing/Copying	12,000.00	12,000.00	0.00	0%
6130 · Fax/Conf Room Phone	480.00	0.00	-480.00	-100%
6140 · Office Supplies	3,600.00	3,600.00	0.00	0%
6145 · Other	1,200.00	480.00	-720.00	-60%
6150 · Board Meeting Expenses	1,800.00	1,800.00	0.00	0%
6155 · Parking Validation Stickers	3,000.00	3,000.00	0.00	0%
6160 · Dues	1,200.00	1,200.00	0.00	0%
6180 · Telecommunications	8,400.00	8,400.00	0.00	0%
6185 · Bank Charges/Fees	7,200.00	7,200.00	0.00	0%
6186 · Liability Insurance (Risk Mgmt)	7,200.00	3,600.00	-3,600.00	-50%
Total 6100 · General Office Expenses	<u>47,280.00</u>	<u>42,480.00</u>	<u>-4,800.00</u>	<u>-10%</u>
6190 · Dues and Subscriptions	5,000.00	5,000.00	0.00	0%
6200 · Postage				
6210 · Mail/Mail Room Charges	6,000.00	4,800.00	-1,200.00	-20%
6220 · Newsletters	9,000.00	0.00	-9,000.00	-100%
6240 · Other	3,600.00	12,000.00	8,400.00	233%
Total 6200 · Postage	<u>18,600.00</u>	<u>16,800.00</u>	<u>-1,800.00</u>	<u>-10%</u>
6400 · Contracted Services				
6410 · Investigators	40,000.00	10,900.00	-29,100.00	-73%
6420 · Computer Support	12,000.00	12,000.00	0.00	0%
6430 · Attorney General-Legal Counsel	60,000.00	72,000.00	12,000.00	20%
6440 · Audit Charges	6,000.00	6,000.00	0.00	0%
6450 · Accountant / CPA	1,200.00	1,200.00	0.00	0%
6460 · Payroll Service Charges	2,880.00	3,600.00	720.00	25%
6495 · EmplDept/HearingOfficerPanel	10,000.00	10,080.00	80.00	1%
6499 · Other Services	2,540.00	4,970.00	2,430.00	96%
Total 6400 · Contracted Services	<u>134,620.00</u>	<u>120,750.00</u>	<u>-13,870.00</u>	<u>-10%</u>

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6500 · Rent and Occupancy				
6510 · Rent	32,040.00	33,600.00	1,560.00	5%
Total 6500 · Rent and Occupancy	32,040.00	33,600.00	1,560.00	5%
6600 · Background Checks				
6630 · Vantage Data	24,000.00	29,990.00	5,990.00	25%
Total 6600 · Background Checks	24,000.00	29,990.00	5,990.00	25%
6650 · Investigation Expenses	1,200.00	0.00	-1,200.00	-100%
6800 · Computers & Accessories				
6810 · Software	2,400.00	2,400.00	0.00	0%
6820 · Hardware	4,800.00	4,800.00	0.00	0%
6840 · Other - Data Lines, etc.	1,200.00	1,200.00	0.00	0%
Total 6800 · Computers & Accessories	8,400.00	8,400.00	0.00	0%
Total Expense	859,000.00	938,000.00	79,000.00	9%
Net Ordinary Income	41,000.00	-38,000.00	-79,000.00	

## **Oregon Physical Therapist Licensing Board 2009-2011 Budget Comparative Narrative to 2007-2009**

### 4000 - Total Income

The majority of increase to income, over the last biennium, is attributed to the 2006 increase in renewal fees. Actual income over the past five years has still trended slightly upwards over the past five years. For the biennium 2009-2011, we have to consider three major factors in the income projections: 1) the number of out-of-state endorsement applications has increased by 5 to 10 % over the last three years, 2) because WA State now requires licensure for PTAs, the number of WA PTAs carrying OR licenses is estimated to drop. The drop in licensed PTAs will be anywhere from 10 to 15% (100 to 150 licensees), 3) when the Board implements on-line renewals, the renewal income will drop by 3% for those who choose to use the on-line system. The 3% will be net of the renewal fees to offset the credit card processing costs. Taking into account the pluses and minus', it will be assumed that overall income will remain flat for the 2009-2011 biennium. If anything, depending on the volume of users who use the online renewal system, income may be lower by a few percent.

### 5100 – Payroll Cost

Payroll costs consist primarily of salaries and benefits. Actual proposed salaries for 2009-2011 are up by 18%. The projected salaries do adhere to the DAS policies, guidelines and salary schedules, as adopted by the Board. The large percentage increase is due to the Governor's Management Salary Plan implemented in 2008. This was an unbudgeted increase in management level salaries of up to 10%. The proposed 2009-2011 salary budget assumes a step (merit) freeze of management salaries (Executive Director and Clinical Advisor). Built into the plan are the DAS standard merit increases for the support position and an annual estimated 3% cost of living (COL) increase for management and support positions. Currently, DAS is considering an across the Board salary freeze (including merit and COL) for all employees. The final determination, regarding a salary freeze, will depend on negotiations with State bargaining units. If the Board were to consider a total salary freeze for the 2009-2011 biennium, payroll costs (salaries, taxes, and PERS assessments) would drop an estimated \$32,600.

### 5140 – Employee Benefits

Benefit costs are set by PEBB State contracts and collective bargaining agreements. Costs are estimated to be up a total of 11% which is close to the current trends in premiums and coverages. For the 2009-2011 biennium, a rate of 10% has been used to project medical/dental rate increases. Also, impacting the Board's projected 2009-2011 benefit costs, are the costs associated with an employee, who had previously opted out of the Board medical coverage. Due to a "change of life event", the employee is reinstating their option to participate in the Board medical coverage programs. The PERS administrative fee, based totally on a percentage of salaries, will decrease. The rate for the biennium is projected to decrease by nearly 60%. On the other hand, medical rate increases offset the PERS savings, netting a projected annual increase in employee benefits of nearly 11%.

#### 5600 – Travel Costs

Travel costs are identified in two separate categories. In-State and Out-of-State travel. While projected Out-of-State travel costs remain relatively unchanged for 2009-2011, In-State travel costs are projected to decrease slightly by 3%. This is primarily due to a decrease in the federal mileage reimbursement rates; and, a closer analysis of the cost for out-of-town Board members who pre-arrange air travel to attend the Board meetings. Some of the savings from the air travel was reallocated to the rising costs for accommodations.

#### 6100 – General Office Expense

General office expense is made up of several expenses categories. While the total expense for this classification remains relatively unchanged, the comparison shows a drop of 10%. There was one category that was over budgeted last biennium. The Board liability insurance was projected at \$7,200 last biennium. The actual expense was \$3,600 for the 2007-2009 biennium and that expense is projected to remain the same for the 2009-2011 biennium.

#### 6200 - Postage

This classification decreased by nearly 10%. The 2007 – 2009 biennium was over projected. The Board started using an outside resource to handle mass mailings saving time and providing a better service and result. There was a reclassification of the postage expense categories. The 2009-2011 budget recognizes just two expense line items - Mail Room Charges and Other. The costs associated with the mailing of the Board Newsletter will now be booked into the Other classification.

#### 6400 – Contracted Services

This classification will have an overall decrease of 10% over the 2007-2009 biennium budget. The decrease comes from the Board's strategic plan to cut costs, eliminating the regular scheduled use of an outside contract investigator. The contract investigator will be utilized on a strictly as needs basis. This savings, to the Board, will offset a 20% increase in the budgeted use of the Board legal counsel. This category has been historically under budgeted, and although the Board Staff has taken on more accountability, with the initial drafting and writing of Board Orders, the staff still has need for prudent usage of the Board AAG. Board legal counsel and staff look for every opportunity to minimize Counsel's intervention into Board activities. The other area of significant increase is in the category of Other Services. Through an informal agreement, between the Semi-independent Boards, the PT Board will continue to participate in the funding of a Lobbyist to support the interest of Semi-independent Boards in the legislative forum.

#### 6600 – Background Checks

This classification was under budgeted for the 2007-2009 biennium. As mentioned in the income section above, initial applications to the Board are on an increase. The \$29,000 expense projected for the 2009-2011 biennium is based on actual usage and trends. This

expense is offset by the collection of the criminal background fees as part of the \$190 application fee booked into the income classifications above.

#### 6800 – Computers & Accessories

This classification purposely remained relatively unchanged. It is DAS policy to replace each piece of computer equipment every four years. The Board currently has three computers and purchased a laptop and a printer for staff shared usage in 2008. This gives the Board four computers and three printers for replacement consideration every four years. If the Board follows the DAS replacement policy the Board will be replacing three or four pieces of computer hardware each biennium cycle.

#### Total Expense

The total projected expense for 2009-2011 biennium is up a total of 9.00%. If the Board determines that it will implement a total salary freeze, or if DAS implements a total salary freeze, the expense for salaries and associated taxes and benefits will drop an estimated total of \$32,600. Then, the projected % increase in expense would be 5%.

#### Income/Expense Analysis

Regardless of Board approval on the proposed 2009-2011 budget or the proposed budget adjusted for a salary freeze, the Board will be in a deficit position for 2009-2011. This is not a concern as the Board has over \$500,000 in reserve from which to operate and cover the deficit. Agency best practices would dictate that the Board draw down its reserves prior to consideration of any type of fee increase. Also, please note that the last fee increase for the Board was with the 2006 renewals.

#### Rule Making Process

ORS 182.462 outlines the procedures for the adoption of the Board budget. In accordance to ORS 182.462, once the Board approves a proposed budget, Notice of Rulemaking Hearing will be posted in the Oregon Bulletin and also sent to the Legislature, all Interested Parties, and to all Licensees of the Board. The Board will have a public hearing on the budget and take into consideration any testimony prior to final adoption of the proposed budget.

Lastly, anytime during a biennium if the Board needs to amend an adopted budgeted amount, they must do so through the above Rulemaking Hearing Notice and process. In conjunction with the rulemaking for the 2009-2011 budget, I would propose that the Board amend its 2007-2009 budgeted expense amount by \$41,000 to an even \$900,000. The Board expenses are currently running on plan but it is very tight. There is no room for variance between now and the end of the biennium, June 30, 2009. It is my understanding that the legal fees, between now and June 30<sup>th</sup>, could be substantial, and I want to make certain that the Board has a cushion and does not overspend its authority. If the expense does exceed current budget levels, the excess will come out of Board reserves.