

**Physical Therapist Licensing Board
Biennium Budget Comparison
2009/2011 to 2011/2013**

Ordinary Income/Expense	TOTAL	TOTAL	TOTAL	% of Change
	Jul '09 - Jun '11	Jul '11 - Jun '13	INCREASE (DECREASE)	
4000 · Income				
4100 · Physical Therapists				
4110 · PT Exam Applications	32,000.00	36,000.00	4,000.00	13%
4120 · PT Endorsement Applications	60,000.00	60,000.00	0.00	0%
4125 · PT Temporary Permits	4,000.00	4,800.00	800.00	20%
4130 · PT Renewals	600,000.00	624,000.00	24,000.00	4%
4140 · PT Delinquent Renewals	4,000.00	6,000.00	2,000.00	50%
4150 · PT Duplicate Licenses	2,000.00	2,400.00	400.00	20%
4160 · PT Wall Certificate	400.00	200.00	-200.00	-50%
4170 · PT Civil Penalties	18,000.00	18,000.00	0.00	0%
Total 4100 · Physical Therapists	720,400.00	751,400.00	31,000.00	4%
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	1,200.00	1,200.00	0.00	0%
4230 · PTA Renewals	96,000.00	120,000.00	24,000.00	25%
4240 · PTA Delinquent Renewals	2,000.00	2,400.00	400.00	20%
4250 · PTA Duplicate Licenses	200.00	300.00	100.00	50%
4260 · PTA Wall Certificate	200.00	200.00	0.00	0%
4270 · PTA Civil Penalties	4,000.00	2,400.00	-1,600.00	-40%
Total 4200 · Physical Therapist Assistants	127,600.00	150,500.00	22,900.00	18%
4300 · PT & PTA Combined				
4330 · PTand/or PTA Mailing Diskette	36,000.00	24,000.00	-12,000.00	-33%
Total 4300 · PT & PTA Combined	36,000.00	24,000.00	-12,000.00	-33%
4400 · PT/PTA License Verification Fee	16,000.00	21,600.00	5,600.00	35%
Total 4000 · Income	900,000.00	947,500.00	47,500.00	5%
5100 · Payroll Costs				
5132 · FICA (SS + Medicare)	34,980.00	33,200.00	-1,780.00	-5%
5133 - FICA Admin Fee	40.00	0.00	-40.00	
5110 · Gross Salaries	457,144.00	434,100.00	-23,044.00	-5%
5136 · Mass Transit Tax	2,844.00	3,000.00	156.00	5%
5140 · Employee Benefits				
5141 · PERS ER Paid EE Cont	27,424.00	25,400.00	-2,024.00	-7%
5142 · PERS ER Admin Contribution	9,416.00	39,700.00	30,284.00	322%
5143 · Obligation Bond Debt Repayment	27,200.00	27,300.00	100.00	0%
5144 · Workers Compensation	360.00	400.00	40.00	11%
5146 · PEBB Medical/Dental Insurance	85,932.00	100,000.00	14,068.00	16%
Total 5140 · Employee Benefits	150,332.00	192,800.00	42,468.00	28%
5150 · Employee Training	4,800.00	4,800.00	0.00	0%
5190 · Board Stipends	13,200.00	16,800.00	3,600.00	27%

Physical Therapist Licensing Board
Biennium Budget Comparison
2009/2011 to 2011/2013

	<u>TOTAL</u> Jul '09 - Jun '11	<u>TOTAL</u> Jul '11 - Jun '13	<u>INCREASE</u> <u>(DECREASE)</u>	<u>% of</u> <u>Change</u>
Total 5100 · Payroll Costs	663,340.00	684,700.00	21,360.00	3%
5600 · Travel Costs				
5610 · Instate Travel				
5612 · Lodging	3,600.00	3,600.00	0.00	0%
5614 · Airfare/Mileage	6,600.00	7,200.00	600.00	9%
5616 · Meals	1,440.00	1,400.00	-40.00	-3%
5618 · Other Travel Costs	240.00	400.00	160.00	67%
Total 5610 · Instate Travel	<u>11,880.00</u>	<u>12,600.00</u>	<u>720.00</u>	6%
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	800.00	80.00	11%
5628 · Other Travel Costs	240.00	400.00	160.00	67%
Total 5620 · Out of State Travel	<u>5,760.00</u>	<u>6,000.00</u>	<u>240.00</u>	4%
Total 5600 · Travel Costs	17,640.00	18,600.00	960.00	5%
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%
6140 · Office Supplies	3,600.00	3,600.00	0.00	0%
6145 · Other	480.00	0.00	-480.00	-100%
6150 · Board Meeting Expenses	1,800.00	1,800.00	0.00	0%
6155 · Parking Validation Stickers	3,000.00	1,200.00	-1,800.00	-60%
6160 · Dues	1,200.00	0.00	-1,200.00	-100%
6180 · Telecommunications	8,400.00	8,400.00	0.00	0%
6185 · Bank Charges/Fees	7,200.00	6,000.00	-1,200.00	-17%
6186 · Liability Insurance (Risk Mgmt)	3,600.00	2,400.00	-1,200.00	-33%
Total 6100 · General Office Expenses	<u>42,480.00</u>	<u>36,600.00</u>	<u>-5,880.00</u>	-14%
6190 · Dues and Subscriptions	5,000.00	6,000.00	1,000.00	20%
6200 · Postage				
6210 · Mail/Mail Room Charges	4,800.00	6,000.00	1,200.00	25%
6220 · Newsletters	0.00	4,800.00	4,800.00	
6240 · Other	12,000.00	6,000.00	-6,000.00	-50%
Total 6200 · Postage	<u>16,800.00</u>	<u>16,800.00</u>	<u>0.00</u>	0%
6400 · Contracted Services				
6405 · Merchant Account Fees	0.00	16,800.00	-16,800.00	
6410 · Investigators	10,900.00	6,000.00	-4,900.00	-45%
6420 · Computer Support	12,000.00	15,600.00	3,600.00	30%
6430 · Attorney General-Legal Counsel	72,000.00	72,000.00	0.00	0%
6440 · Audit Charges	6,000.00	7,200.00	1,200.00	20%
6450 · Accountant / CPA	1,200.00	1,200.00	0.00	0%
6460 · Payroll Service Charges	3,600.00	3,600.00	0.00	0%
6495 · EmplDept/HearingOfficerPanel	10,080.00	10,800.00	720.00	7%
6499 · Other Services	4,970.00	27,000.00	22,030.00	443%
Total 6400 · Contracted Services	<u>120,750.00</u>	<u>160,200.00</u>	<u>39,450.00</u>	33%

Physical Therapist Licensing Board
 Biennium Budget Comparison
 2009/2011 to 2011/2013

	<u>TOTAL</u> <u>Jul '09 - Jun '11</u>	<u>TOTAL</u> <u>Jul '11 - Jun '13</u>	<u>INCREASE</u> <u>(DECREASE)</u>	<u>% of</u> <u>Change</u>
6500 · Rent and Occupancy				
6510 · Rent	33,600.00	45,600.00	12,000.00	36%
Total 6500 · Rent and Occupancy	33,600.00	45,600.00	12,000.00	36%
6600 · Background Checks				
6630 · Vantage Data	29,990.00	10,800.00	-19,190.00	-64%
Total 6600 · Background Checks	29,990.00	10,800.00	-19,190.00	-64%
6800 · Computers & Accessories				
6810 · Software	2,400.00	4,800.00	2,400.00	100%
6820 · Hardware	4,800.00	4,800.00	0.00	0%
6840 · Other - Data Lines, etc.	1,200.00	0.00	-1,200.00	-100%
Total 6800 · Computers & Accessories	8,400.00	9,600.00	1,200.00	14%
Total Expense	938,000.00	988,900.00	50,900.00	5%
Net Ordinary Income	-38,000.00	-41,400.00	-3,400.00	9%

Oregon Physical Therapist Licensing Board 2011-2013 Budget Comparative Narrative to 2009-2011

4000 - Total Income

Actual income over the past five years has still trended slightly upwards. The total number of licenses increased from 4,100 in 2009 to just over 4,300 in 2011, an increase of near 5%. Based on the analysis of income for the biennium 2009-2011, the income figures were held flat. This was not the case; income for 2009-2011 will exceed the projected budget by nearly 5%. Given the steady increase in number of licensees and acknowledging the surplus income not recognized in the 2009-2011 budget, the 2011-2013 income projections were increased by 5%.

5100 – Payroll Cost

Payroll costs consist primarily of salaries and benefits. Actual proposed salaries for 2011-2013 are down by 5% over the prior biennium. This is reflective of the proposed increases in the 2009-2011 budget that never occurred because of the salary freeze. For 2011-2013 there are increases built into the system. The projected increases adhere to the DAS policies, guidelines and salary schedules, as adopted by the Board. There is also a planned change in employment with a top scale ASII retiring, replaced by an ASII in the first quartile of the scale. The result is a net decrease in total salaries of 5%.

Note the Director is at the top rate of his pay class. The proposed increase will move his salary from its current frozen position to the actual rate within the last step of his classification. The difference being the COL increase within the last step that had occurred since the salary freeze. The Clinical Advisor/Investigator position is at Rate 6 within the classification with 9 Rates. The issue with this position is that it is no longer maintained by DAS. All employees within this classification need to be re-classed. What has happened in other incidences is that investigators have been classed in the PEM category (Principle Executive Management). The Massage Board Compliance Manager was classified as a PEM "C". Our Investigator's current salary is close to or exceeds the top rates in the PEM C classification. The problem is that this classification does not take into account the professional advisory role our investigator also plays. The plan is to have DAS do a desk audit of her position and find the best and most appropriate classification. Until that time, I have built in a 3% cost of living increase to our investigators current salary. She has had no movement for over two years. After the desk audit is complete, adjustments to the Clinical Advisors/Investigators salary will be reconsidered.

5140 – Employee Benefits

Benefit costs are set by PEBB State contracts and collective bargaining agreements. Costs are estimated to be up a total of 10% which is close to the current trends in premiums and coverage's. For the 2011-2013 biennium, a rate of 10% has been used to project medical/dental rate increases. The largest portion of the 28% increase in

projected employee benefits cost comes from the PERS Employer Administrative Contribution. This cost is calculated as a percent of covered salaries. The analysis, along with the projected rates is provided by the State's actuarial firm (Mercer). The rate is set to increase from 2.06% in the current biennium to 9.55% in the 2011-2013 biennium. Cost wise this represents an increase of over \$30,000 for the 11-13 biennium. Board Stipends are also increased by almost 27%. Although the total number of regularly scheduled Board meetings has gone from 6 to 5 during a calendar year, the actual Stipend payment was increased from \$30 per diem to \$150 per diem. Note that the Board did increase in size also, from 7 to 8 members, however one of the new members has elected not to accept the Stipend payment.

5600 – Travel Costs

Travel costs are identified in two separate categories. In-State and Out-of-State travel. Both In-State and Out-of-State travel costs are projected at a 5% increase over the next biennium. Built into the projected expenses is an increase in Other Travel Costs which is reflective of trends over the past biennium and inflationary rates for airfare and lodging. Additionally there was a slight increase in the federal mileage reimbursement rates.

6100 – General Office Expense

General office expense is made up of several expenses categories. In comparison the total expense for this classification has dropped nearly 14% for 2011-2013. The areas where you see savings are in; Parking Validation which, over the past two biennium's, has been over estimated and the use of the validation stickers has diminished, Dues, which in an effort to consolidate reporting, has been reclassified from 6160 to 6190 with a net effect of an increase in the expense classification for 6190 Dues and Subscriptions, Bank Charges and Fees, has dropped relative to the Board's move from Lock Box Services to in-house processing and remote deposit. It is important to note here that the actual bank service fees for 2009-2011 are running at a rate of twice the budgeted amount, thus the move to in-house servicing. Lastly, the DAS Risk Assessment Group, based on the prior biennium's experience rating has lowered the Board's risk assessment fees for the 2011-2013 biennium.

6200 - Postage

The projection for postage for the 2009-2011 biennium is going to be very close to actual. Other than a reclassification of the categories for 2011-2013, the overall postage expense is expected to stay relatively the same. Although the Board has implemented online renewals there is still costs associated with the mailing of the renewal letters. The use of email addresses, as an alternative method to communicate, has proven to be a futile exercise as a good portion of licensees fail to maintain current email address and changes with the Board.

6400 – Contracted Services

This classification will have an overall increase of 33% over the 2009-2011 biennium budget. The increase includes Merchant Account Fees which, prior to the 2010 implementation of on-line renewals, did not exist. In 2010 the merchant account fees of

2.5% were passed onto the licensee. In 2011 the Board determined they would absorb the merchant account fees in an effort to encourage more extensive use of the online renewal system. For 2011-2013, based on the 2010 actual, an estimate of \$16,800 was projected for merchant account fees. Contract investigator fees was cut by nearly \$5,000 this was based on trends, the currency of the case load and the ability of Board's in-house investigator to handle it. Computer support is expected to increase because the Board is moving to a new canned database system called CRM. Recently implemented by the Nursing Board, the CRM system will allow more flexibility in processing, reporting and interface into peripheral systems, i.e. online renewals, applications, etc. The largest difference between the prior biennium and the 2011-2013 biennium, for contracted services, is the calculated charge from Oregon Health Workforce Institute, OHWI. The annual invoice charging the Board \$2.50 for each renewed licensee was mandated by 2009 Statute. The OHWI is required by Statute to do a demographics study of healthcare professionals in the State of Oregon. As part of this mandate, OHWI requires the Board to administer a demographics survey to its renewal licensees and provide that information to the Oregon Health Authority who then analyzes the data and provides reports back to the Legislature. Statute allowed the Board to recoup these costs with an increase to renewal fees. Upon discussion, the Board determined that, like the merchant account fee, at this time, the Board would absorb the charges from OHWI. It is important to note that although the actual 2009-2011 Legal Counsel fees are currently well below projected budget, no adjustments were made for 2011-2013, the projected fees remain flat. Historical data indicated that 2009-2011 charges are anomalies, that Legal Counsel fees have been substantially higher in prior bienniums.

6600 – Background Checks

This classification was over budgeted for the 2009-2011 biennium. After adoption of the 2009-2011 budget the service provider announced a decrease in the per report cost from \$40.00 per report to \$12.00 per report. The 2011-2013 projections are based on trended usage and the new report rate. This expense is offset by the collection of the criminal background fees as part of the \$162.00 application fee booked into the income classifications above.

6800 – Computers & Accessories

This classification shows an increase of approximately 14%. As mentioned above, in contracted services, the Board is migrating to a new database system. This will include the shared investment between the seven Suite 407 health boards and the purchase of the hardware and software necessary for implementation and migration to the new system.

Total Expense

The total projected expense for 2011-2013 biennium is up by 5.00%. It is important to note that this includes the added \$20,000 in costs for the biennial OHWI data analysis and an estimate of \$8,600 in additional cost to implement a new data base system. If those costs were backed out of the 2011-2013 budget figures the percentage of overall increase in the 2011-2013 budget, over the prior biennium budget, would be slightly over 2%.

The 2011-2013 proposed budget does leave the Board in a deficit position at the end of the biennium. The Board has faced this situation in past bienniums and rather than raise fees to offset the deficit, this Board has determined it would adopt the deficit budget and offset it with reserves. As a note the prior biennium deficit budget called for a draw from reserves of approximately \$38,000. The actual 2009-2011 biennium budget will actually end up with a positive net to reserves.

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.