

**Physical Therapist Licensing Board
Biennium Budget Comparison
2011-2013 to 2013-2015**

	2011.2013 BUDGET	2013.2015 BUDGET	TOTAL INCREASE (DECREASE)	PERCENT OF CHANGE
INCOME				
PT Fees				
PT Exam Apps	\$36,000	\$36,000	\$0	0%
PT Endorsement Apps	\$60,000	\$60,000	\$0	0%
PT Temp Permit Apps	\$4,800	\$2,400	(\$2,400)	-50%
PT Renewal Apps	\$624,000	\$660,000	\$36,000	6%
PT Delinquent Renewal	\$6,000	\$6,000	\$0	0%
PT Duplicate License Fee	\$2,400	\$0	(\$2,400)	-100%
PT Wall Certificate	\$200	\$0	(\$200)	-100%
PT Civil Penalties	\$18,000	\$12,000	(\$6,000)	-33%
PT NSF Check	\$0	\$0	\$0	0%
PT Other	\$0	\$0	\$0	0%
Total PT Income	\$751,400	\$776,400	\$25,000	3%
PTA Fees				
PTA Exam Apps	\$12,000	\$12,000	\$0	0%
PTA Endorsement Apps	\$12,000	\$12,000	\$0	0%
PTA Temp Permit Apps	\$1,200	\$2,400	\$1,200	100%
PTA Renewal Apps	\$120,000	\$120,000	\$0	0%
PTA Delinquent Renewal	\$2,400	\$2,400	\$0	0%
PTA Duplicate License Fee	\$300	\$0	(\$300)	-100%
PTA Wall Certificate	\$200	\$0	(\$200)	-100%
PTA Civil Penalties	\$2,400	\$2,400	\$0	0%
PTA NSF Check	\$0	\$0	\$0	0%
PTA Other	\$0	\$0	\$0	0%
Total PTA Income	\$150,500	\$151,200	\$700	0%
Other Income				
Electronic Mailing Lists	\$24,000	\$24,000	\$0	0%
License Verification Fees	\$21,600	\$24,000	\$2,400	11%
Total Other Income	\$45,600	\$48,000	\$2,400	5%
TOTAL INCOME	\$947,500	\$975,600	\$28,100	3%
EXPENSE				
Employee Benefits				
Payroll Costs				
Salaries	\$434,100	\$441,600	\$7,500	2%
Unemployment Benefits	\$0	\$0	\$0	0%

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Social Security ER Tax	\$33,200	\$33,600	\$400	1%
Social Security Admin Fee	\$0	\$0	\$0	0%
Mass Transit Taxes	\$3,000	\$3,120	\$120	0%
Workers Compensation Tax	\$400	\$360	(\$40)	-1%
Total Payroll Costs	\$470,700	\$478,680	\$7,980	2%
PERS Pension Costs				
ER Paid EE 6% Contribution	\$25,400	\$26,400	\$1,000	4%
ER Administrative Contribution	\$39,700	\$63,000	\$23,300	57%
Obligation Bond Debt Payment	\$27,300	\$27,960	\$660	2%
Total PERS Costs	\$92,400	\$117,360	\$24,960	27%
PEBB Benefit Costs				
Medical/Dental Premiums	\$100,000	\$98,400	(\$1,600)	-2%
Total PEBB Costs	\$100,000	\$98,400	(\$1,600)	-2%
Other Payroll Costs				
Employee Training	\$4,800	\$4,800	\$0	0%
Board Stipends	\$16,800	\$14,400	(\$2,400)	-14%
Total Other Payroll Costs	\$21,600	\$19,200	(\$2,400)	-11%
Total Employee Benefit Costs	\$684,700	\$713,640	\$28,940	4%
Travel Costs				
Instate Travel				
Lodging	\$3,600	\$4,800	\$1,200	33%
Airfare/Mileage	\$7,200	\$9,600	\$2,400	33%
Meals	\$1,400	\$2,400	\$1,000	71%
Other	\$400	\$0	(\$400)	-100%
Total Instate Travel Costs	\$12,600	\$16,800	\$4,200	33%
Out of State Travel				
Lodging	\$2,400	\$2,400	\$0	0%
Airfare/Mileage	\$2,400	\$2,400	\$0	0%
Meals	\$800	\$780	(\$20)	3%
Other	\$400	\$0	(\$400)	-100%
Total Out of State Travel Costs	\$6,000	\$5,580	(\$420)	-7%
Total Travel Costs	\$18,600	\$22,380	\$3,780	20%
General Office Expenses				
Copier	\$1,200	\$1,200	\$0	0%
Printing/Copying	\$12,000	\$12,000	\$0	0%

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Office Supplies	\$3,600	\$3,600	\$0	0%
Board Meeting Expense	\$1,800	\$1,800	\$0	0%
Parking Validation Stickers	\$1,200	\$1,200	\$0	0%
Telecommunications	\$8,400	\$8,400	\$0	0%
Bank Charges/Fees	\$6,000	\$6,000	\$0	0%
Liability Insurance (Risk Mgmt)	\$2,400	\$3,600	\$1,200	50%
Dues and Subscriptions	\$6,000	\$6,000	\$0	0%
Rent	\$45,600	\$36,000	(\$9,600)	-21%
Computer Software	\$4,800	\$2,400	(\$2,400)	-50%
Computer Hardware	\$4,800	\$2,400	(\$2,400)	-50%
Total General Office Expenses	\$97,800	\$84,600	(\$13,200)	-13%
Postage Expense				
Mail Room Service Charges	\$6,000	\$6,000	\$0	0%
Newsletters	\$4,800	\$4,800	\$0	0%
Other	\$6,000	\$6,000	\$0	0%
Total Postage Expense	\$16,800	\$16,800	\$0	0%
Contracted Services				
Merchant Account Fees	\$16,800	\$16,800	\$0	0%
Outside Investigator Fees	\$6,000	\$6,000	\$0	0%
Computer Support	\$15,600	\$12,000	(\$3,600)	-23%
Attorney General-Legal Counsel	\$72,000	\$71,380	(\$620)	-1%
Audit Charges	\$7,200	\$9,600	\$2,400	33%
Accountant/CPA	\$1,200	\$1,200	\$0	0%
Payroll Service Charges	\$3,600	\$3,600	\$0	0%
Office of Administrative Hearings	\$10,800	\$7,200	(\$3,600)	-33%
Background Checks/Vantage Data	\$10,800	\$10,800	\$0	0%
Other Services	\$27,000	\$24,000	(\$3,000)	-11%
Total Contracted Services	\$171,000	\$162,580	(\$8,420)	-5%
TOTAL EXPENSE	\$988,900	\$1,000,000	\$11,100	1%
NET OPERATING GAIN OR (LOSS)	-\$41,400	-\$24,400	\$17,000.00	41%

Oregon Physical Therapist Licensing Board 2013-2015 Budget Comparative Narrative to 2011-2013

4000 - Total Income

Actual income over the past five years has continually trended slightly upwards. The total number of licensees increased from 4,500 year end 2011 to just over 4,700 year end 2013, an increase of 4.5%. It will be difficult to determine true income earnings for the 2011-2013 biennium. Although the budget projected a 5% increase in total income, the Board implemented a one-time reduction in the 2013 renewal fees which will lower the actual renewal revenue by just over \$100,000. Based on the analysis of income for the past five years, and the trend of an increasing licensure base, total income projections for the 2013-2015 biennium will be increase by a rate of 3%.

5100 – Payroll Cost

Payroll costs consist primarily of salaries and benefits. Actual proposed salaries for 2013-2015 are up only 2% over the prior biennium. All three of the Board staff positions have had new job descriptions written, reviewed and approved by Department of Administrative Services (DAS) Human Resource Services Department(HRSD). DAS has also set the compensation and classification for these positions. The projected increases adhere to the DAS policies, guidelines and salary schedules, as adopted by the Board. There are no assumed COL increases built into the current budget.

Notes: The Director is at the top rate of his pay class. The only salary adjustments for his pay classification will come in the form of Cost of Living (COL) increases to the top step of his classification. HRSD has also completed the review and reclassification of the Clinical Advisor/Investigator position. According to HRSD, this position is currently at premium pay for the new classification. According to DAS policy, the individuals salary has been “Red Circled and, for the 2013-2015 biennium there will be no salary or COL increases consideration for this position.

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 2013-2015 biennium, a rate of 10% has been used to project annual medical/dental rate increases, but offsetting some of these costs is the 5% employee contribution towards medical premiums. The largest portion of the 4% 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 9.55% in the current biennium to 14.26% in the 2013-2015 biennium. Cost wise this represents an increase of over \$23,000 for the 13-15 biennium. The Board has no control over the PERS Employer Administrative Contribution. Board Stipends are down slightly only due to an over projection in

the 2011-2013 budget. 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. Total travel costs are projected at a 33% increase over the next biennium. A new professional Board member, from the Eugene area, was added to the Board and requires travel and overnight stays to attend the Board meetings. In 2011-2013 the Board reduced the number of its Board meetings from six to five. The Board found it difficult to maintain functional business levels with only five meetings and determined for the 2013-2015 biennium to raise the number of meetings back up to six a year. 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 13% for 2013-2015. The areas where you see savings are in; Rent, which is a contracted set value by DAS who over estimated the per square footage charge last biennium and has made a 21% downward adjustment of \$9,600 for the 2013-2015 biennium; both computer software and hardware have dropped by 50% each for a savings of \$4,800. In the 2011-2013 biennium allocations were made to purchase the software and hardware necessary to develop and migrate the Board's current Fox Pro in-house developed data base to Microsoft's Client Relationship Management (CRM) system. Although the project is not yet completed, the costs associated with the project should all be incurred during the 2011-2013 biennium. The one general office expense that will increase significantly for the 2013-2015 biennium is the Board Risk Management Services up by 50% or an increase of \$1,200. Again, this is an allocated expense. The numbers are provided by DAS and the Board participates in a small State Risk Pool. The premiums are based on claims experiences and losses by the participants of the pool. Although the Board has not had any claims or losses, several of the other members of the pool have experience claims and losses.

6200 - Postage

There are no significant changes anticipated for postage and mail room service fees for the 2013-2015 biennium.

6400 – Contracted Services

This classification will have an overall decrease of 5% over the 2011-2013 biennium budget. The decrease is the net effect of several items. Computer support is down by 23% for a savings of \$3,600. As mentioned earlier in the general office expense classification in the 2011-2013 biennium allocations were made to pay for the programming necessary to develop and migrate the Board's current Fox Pro in-house developed data base to Microsoft's Client Relationship Management (CRM) system. Although the project is not yet completed, the costs associated with the project should all be incurred during the 2011-2013 biennium. Office of Administrative Hearings fees are a set charge provided by DAS and is related directly to the usage charges in the prior biennium. The Board usage was over estimated for 2011-2013 thus a lower scheduled fee projected for 2013-2015, a savings of 33% or \$3,600. Other service is the classification used to

book the Oregon Health Workforce Institutions charges for the collection and analysis of the mandated workforce demographics. This fee was overestimated for the 2011-2013 biennium and has been adjusted accordingly for 2013-2015, a savings of 11% or \$7,800. 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. Lastly, the audit charges for 2013-2015 are projected to increase by 33% or \$2,400. The audit costs for 2011-2013 were under estimated. For the 2011-2013 biennium the Board moved from a financial audit to a financial review and assumed a larger savings in doing so. Although the Board did end up saving nearly \$2,500 by having the review the savings was originally projected at \$5,000. It is important to note that although the actual 2011-2013 Legal Counsel fees are currently well below projected budget, no adjustments were made for 2013-2015 plan, the projected fees remain flat. Historical data indicates that Legal Counsel fees have been substantially higher in prior bienniums.

Total Expense

The total projected expense for 2013-2015 biennium is up by only 1% or a total of \$11,740. It is important to note that this includes the added \$23,300 in costs for the increase in PERS Employer Administrative costs. If that increase cost would have remained relatively stable and was backed out of the 2013-2015 budget figures the percentage of change in the expenses 2013-2015 budget, over the prior biennium budget, would have dropped by just over 1%.

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 excess 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.