

Oregon Physical Therapist Licensing Board
Year-End Financial Report
Reporting Period July 2014 - June 2015

	<u>Jul '14 - Jun '15</u>	<u>Budget</u>	<u>Variance</u>
Income/Expense			
Income			
4000 · Income	611,766.90	487,800.00	123,966.90
Total Income	<u>611,766.90</u>	<u>487,800.00</u>	<u>123,966.90</u>
Gross Profit	611,766.90	487,800.00	123,966.90
Expense			
5100 · Payroll Costs	366,189.63	360,780.00	5,409.63
5600 · Travel Costs	9,654.37	11,160.00	-1,505.63
6100 · General Office Expenses	27,058.42	18,900.00	8,158.42
6190 · Dues and Subscriptions	3,165.00	3,000.00	165.00
6200 · Postage	9,553.02	8,400.00	1,153.02
6300 - Publications	213.00	0.00	213.00
6400 · Contracted Services	81,335.45	75,580.00	5,755.45
6500 · Rent and Occupancy	18,569.30	18,000.00	569.30
6600 · Background Checks	9,450.00	5,400.00	4,050.00
6650 · Investigative Expenses	30.00	0.00	30.00
6800 · Computers & Accessories	9,591.70	2,400.00	7,191.70
Total Expense	<u>534,809.89</u>	<u>503,620.00</u>	<u>31,189.89</u>
Net Income/Loss	<u><u>76,957.01</u></u>	<u><u>-15,820.00</u></u>	<u><u>92,777.01</u></u>

**Oregon Physical Therapist Licensing Board
Year-End Financial Report Narrative
Reporting Period July 2014 – June 2015**

Total Income is over budget by \$123,967

The Board’s projected income for the fiscal year 2014 – 2015 was budgeted at \$487,800. Actual income booked totaled \$611,767; this created a positive income variance of \$123,967. The income variance is a result of several factors:

Income Classification	Over Budget	Under Budget
Physical Therapist	\$103,533	
Physical Therapists Assistants	\$25,753	
Other		(\$5,319)

Narrative:

- Physical Therapists Fees – are over budget primarily due to an under estimate of the trending rate used to project 2013-2015 biennium income which was set at 3%. At the beginning of the 2014 fiscal year, the Board had a total of 3,861 PT licensees. At the end of fiscal 2015 the Board had a total of 4,095 PT licensees, an increase of 6%. This is an unusual growth in numbers and can be attributed to the Board’s 2014 change in policy that allows for a physical therapists to take the national examination prior to graduation. This is a policy approved by the Federation but not offered in many states. The result; Oregon gets a large number of out of state PT applicants who want to test prior to graduation. They complete the application process, pay the fees but never intend to practice in the State of Oregon. In 2012, George Fox University opened the second accredited PT program in Oregon. The first class graduated and took the national exam during fiscal year 2015. Finally, the percentage of increase for 2013-2015, estimated at 3%, was applied to the prior biennium budgeted income figures and not the actual ending balance income figures which were already in excess of budget.
- Physical Therapist Assistants Fees – are over budget primarily due to an under estimate of the trending rate used to project 2013-2015 biennium income which was set at 3%. At the beginning of the 2014 fiscal year, the Board had a total of 1,067 PTA licensees. At the end of fiscal 2015 the Board had a total of 1,141 PTA licensees, an increase of 7%. Also the percentage of increase for 2013-2015, estimated at 3%, was applied to the prior biennium budgeted income figures and not the actual income figures which were in excess of budget.
- Other Fees - are under budget due to an over estimation of income from mailing list fees. Also, the original estimate was based on historical income trends over the past five years. After the budget was adopted the Board elected to lower its fee for the request of a mailing list from \$150.00 to \$100.00.

Total Expenses are over budget by \$31,190

5100 Payroll Costs are **\$5,410** over budget as a result of several factors:

Payroll Expense Classification	Over Budget	Under Budget
Salaries	\$10,204	
PERS Bond Debt Obligation	\$2,520	
PERS ER Paid EE Contrib	\$1,605	
Payroll Taxes	\$1,180	
Other	\$1,105	
PERS Employer Admin		(\$8,339)
PEBB Medical Premiums		(\$1,631)
Employee Training		(\$784)
Board Stipends		(\$450)

Narrative:

- Salaries - are over budget due primarily to the cost of living increases which were reinstated in the governor's salary and compensation plan but not known or included in the original budgeted projections, the board hired an on call hourly to cross train and fill in on the License Coordinator's desk and there was a \$1,500 adjustment to the Board's vacation liability account at fiscal year-end 2015.
- PERS Bond Debt Obligation – is directly related to salaries. The Bond Debt is over budget as a result of salaries being over budget.
- PERS ER Paid EE Contribution – is directly related to salaries. The EE Contributions are over budget as a result of salaries being over budget.
- Payroll Taxes – payroll taxes are directly related to salaries. Taxes are over budget as a result of salaries being over budget.
- Other payroll cost – are over budget primarily due to the cost of the Board to fund the annual Tri-met transit passes for employees a benefit not part of the original budget.
- PERS Employer Admin fees - are under budget due to an over estimate of the contribution percentage rates as provided by the State's actuary. The original percentages provided were 12.54% for OPSRP salaries and 14.26% for Tier 1 and Tier 2 salaries. The actual percentages being assessed through fiscal year-end 2015 are 6% for OPSRP and 8% for Tier 1 and Tier 2 salaries.
- PEBB Medical Premiums - are under budget as the net effect of adding midyear dependent coverage not budgeted for, and the savings from overestimating the increase for 14-15 at 10% when the actual rate came in closer to 5%.
- **5600 Travel Costs** are **(\$1,506)** under budget due to the estimated funding for three Board out of state training trips of which only one trip occurred.

6100 General Office Expenses are **\$8,158** over budget as a result of several factors:

General Expense Classification	Over Budget	Under Budget
Other	\$7,825	
Bank Charges/Fees	3,307	
Parking Validation	\$520	
Board Meeting Expenses	\$164	
Printing/Copying		(\$1,599)
Liability Insurance		(\$992)
Telecommunications		(\$848)
Copier		(\$190)
Office Supplies		(\$29)

Narrative:

- Other expense – is over budget due to a Board approved end of fiscal year purchase of new ergonomic furniture for two of the board workstations.
- Bank Charges/Fees – are over budget due to booking of the 2014 Jan-Jun settlement fee into fiscal year 2015 resulting in three settlement periods instead of the two budgeted.
- Printing and copying fees - are under budget primarily due to changes in the handling of renewals and initial applications. Forms and instructions are no longer printed and mailed, renewals are handled online and only a small notification postcard is printed and mailed. Initial applications with all related forms are now available online; the Board staff no longer copies forms and assembles application packets for mailing.

6190 Dues and Subscriptions are **\$165** over budget.

6200 Postage Charges are **\$1,153** over budget due to an extra Newsletter mailing which satisfied the required Notice of Proposed Rulemaking to all licensees.

6300 Publications are **\$213** over budget

6400 Contracted Services are **\$5,756** over budget as a result of several factors:

Contracted Services Expense Classification	Over Budget	Under Budget
Other Services	\$12,535	
Merchant Account Fees	\$3,703	
Computer Support	\$2,434	
DAS Misc	\$607	
Audit Charges		(\$4,800)
Attorney General Fees		(\$3,509)
Investigators Fee		(\$2,870)
Emp Hearing Officer Panel		(\$1,981)
Accountant/CPA		(\$350)
Payroll Service Charges		(\$13)

Narrative:

- Other Services – are over budget due to a timing difference. The charge for data analysis done by the Oregon Health Workforce Institute represents the majority of the expense at \$12,300 per year. The 2014 billing was actually booked in 2015 resulting in the entire biennium charge of \$25,000 being booked into 2015.

- Merchant Account Fees – are based solely on volume. There is a separate Merchant charge for each credit card transaction. The volume of online renewals with payment via credit cards is up over 5% from the prior renewal period.
- Computer Support – is over budget due to a timing difference. The charges for the last half of fiscal 2014 were booked in 2015 reflecting 3 billing periods in 2015 as opposed to 2.
- Audit Charges – are under budget due to timing. The expense budgeted should have been used to pay the 2011-2013 audit, however those dollars had been already been accounted for in an accrual booked for the 2013 fiscal yearend.
- Attorney General Fees – are under budget because after completing the budget process the Board moved to a flat rate quarterly legal fee based on average legal charges over the prior five years. The budget figures were based on a five year trend of increasing costs for legal fees.
- Investigator Fees – are based on historical and projected usage. Because the current case load has been manageable there has been no need to contract with outside investigative services.
- Hearing Officer Panel Fees - are based on long term historical and projected usage. There was no substantial hearing activity for the 2014-2015 fiscal year.

6500 Rent and Occupancy Charges are **\$569** over budget.

6600 Background Check Fees are **\$4,050** over budget due to an under estimation of initial application volumes.

6650 Investigation Expenses are **\$30** over budget.

6800 Computer & Accessories are **\$7,192** over budget due to the end of fiscal year purchase of 11 new Ipads for Board and staff members. The intent of the purchase is to move the Board to a paperless meeting and more secure confidential executive session materials.

Note: Only significant variances greater than \$1,000 are addressed by this document.

**Oregon Physical Therapist Licensing Board
2013-2015 BIENNIUM Financial Report**

	<u>Jul '13 - Jun '15</u>	<u>Budget</u>	<u>Variance</u>
Income/Expense			
Income			
4000 · Income	1,177,816.44	975,600.00	202,216.44
Total Income	<u>1,177,816.44</u>	<u>975,600.00</u>	<u>202,216.44</u>
Gross Profit	1,177,816.44	975,600.00	202,216.44
Expense			
5100 · Payroll Costs	710,868.31	713,640.00	-2,771.69
5600 · Travel Costs	18,590.31	22,380.00	-3,789.69
6100 · General Office Expenses	38,550.92	37,800.00	750.92
6190 · Dues and Subscriptions	6,438.00	6,000.00	438.00
6200 · Postage	15,937.30	16,800.00	-862.70
6300 - Publications	213.00	0.00	213.00
6400 · Contracted Services	134,941.20	151,780.00	-16,838.80
6500 · Rent and Occupancy	34,245.08	36,000.00	-1,754.92
6600 · Background Checks	14,539.00	10,800.00	3,739.00
6650 · Investigative Expenses	132.00	0.00	132.00
6800 · Computers & Accessories	9,682.35	4,800.00	4,882.35
Total Expense	<u>984,137.47</u>	<u>1,000,000.00</u>	<u>-15,862.53</u>
Net Income/Loss	<u><u>193,678.97</u></u>	<u><u>-24,400.00</u></u>	<u><u>218,078.97</u></u>