



Oregon

Tina Kotek, Governor

Occupational Therapy Licensing Board

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www.oregon.gov/otlb

To: Senator Kate Lieber
Representative Tawna Sanchez

RE: 2025-27 Agency Reduction Options

Established in 1977, the **Occupational Therapy Licensing Board (OTLB)** protects the public by supervising occupational therapy practice and assuring the safe and ethical delivery of services in Oregon.

The Board achieves its mission by:

- Developing policy and setting standards of practice.
- Reviewing applications and issuing licenses to qualified applicants.
- Investigating complaints and taking disciplinary action for violations.
- Monitoring and enforcing continuing education requirements.

The OTLB is governed by a five-member board appointed by the Governor, consisting of three licensed occupational therapy practitioners and two public members. Day-to-day operations are managed by two staff: a full-time Executive Director and a half-time Licensing Specialist. Investigative support is provided on an as-needed basis through an interagency contract with the Board of Speech Language, Pathology and Audiology (BSPA), supplemented occasionally by an outside contract investigator.

The Board is 100% funded by Other Funds generated from license fees, renewal fees, civil penalties, and other limited sources. The OTLB projects an ending balance of 12.5 months of cash reserves for the 2025-2027 biennium, exceeding the required minimum of nine months needed to carry over into the next cycle. **There are no new or expanded programs.**

The OTLB budget of \$801,490 for the 2025-2027 biennium is currently projected to be over the statutory limitation by a minimum of \$25,000. This figure is concerning as it already includes a significant cost-saving measure: a \$12,000 reduction in Attorney General (AG) Legal fees. This cut poses a risk to the Board's legal stability should a complicated case arise.

The \$25,000 deficit is driven by two main factors:

1. Unbudgeted Shared Financial Services (SFS) Costs: The \$43,400 budget for "Other Services and Supplies" is short by nearly \$30,000. This is primarily due to an unexpected 70% increase in SFS charges (rising from \$31,982 to \$54,865) that was not factored into the budget. The SFS cost hike is attributed to unit rate increases for



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analyst time and transaction processing, driven by the last biennium's COLA and pay equity analysis, compounded by an increased volume of licensure and corresponding transactions.

2. Missing Personnel Costs: Two essential personnel costs were not included in the Personal Services budget:
 - Board Member Stipends: \$9,300
 - Board Investigator costs: \$17,000

Given the current financial projections, the Board will be required to submit an expenditure limit adjustment during an upcoming legislative session. If the overall budget is reduced, the OTLB will be unable to cover very basic costs of operation, including beyond the AG and SFS line items that are not already covered.

The proposed 5% reductions are applied to the Service and Supplies budget. The OTLB has already taken aggressive cost-cutting steps in previous biennia due to decreasing revenue, including reducing its total FTE from 1.75 to 1.5 and cutting \$10,000 from Services and Supplies. Given that licensure is now increasing, any further reduction in FTE would directly result in a decrease in necessary service levels.

Please let me know if you have any questions.

Regards,

Nancy Schuberg
Executive Director

Occupational Therapy Licensing Board (OTLB)																
2025-27 Biennium																
2025-27 LAB				-	-	801,490	-	-	-	801,490						
Detail of Reductions to 2025-27 Legislatively Adopted Budget																
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Priority (ranked most to least preferred)		Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Gov. Reduction Target Yes / No	One-Time Yes / No	Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.
Dept	Prgm/ Div															
		OTLB		General S&S 2.5%			20,000				\$ 20,000					Office Supplies, Out-of-State Travel, State Govt, Service Charges, Data Processing. Reduces budget line items, putting the board further over budget. Eliminates the trip to the national conference by 1 board member each year.
		OTLB		General S&S 2.5%			20,000				\$ 20,000					In state travel, employee travel, AG Legal fees. Eliminates 1 and only in person board meeting each year. Eliminates board member registrations to the state association conference in 2026. Reduces contact with board counsel decreasing legal stability if the board receives a complex case.
											\$ -					
											\$ -					
				TOTAL	-	-	40,000	-	-	-	\$ 40,000	0	0.00			

Target (5%)

Difference

-

-

40,075

(75)

2025-27 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Agency	SCR	Program Establishment / Expansion			Program Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Implementation Status
		Biennium	Effective Date	Authorization											
OTLB					There are no new or expanded programs.			0				\$ -			
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				TOTAL		-	-	-	-	-	-	\$ -	0	0.00	

Column (5) - Authorization should identify the source of the new program or program expansion, which could include enabling legislation, approved policy option package, or administrative establishment.

Column (6) - Program description should include a summary of the program and the expansion (if applicable), including any partner state agencies.

Column (16) - Current status of program implementation should be summarized, including any future budget requests anticipated upon full program implementation.