

**Executive Council of Physical Therapy & Occupational Therapy Examiners  
Summary of Budget Recommendations - House**

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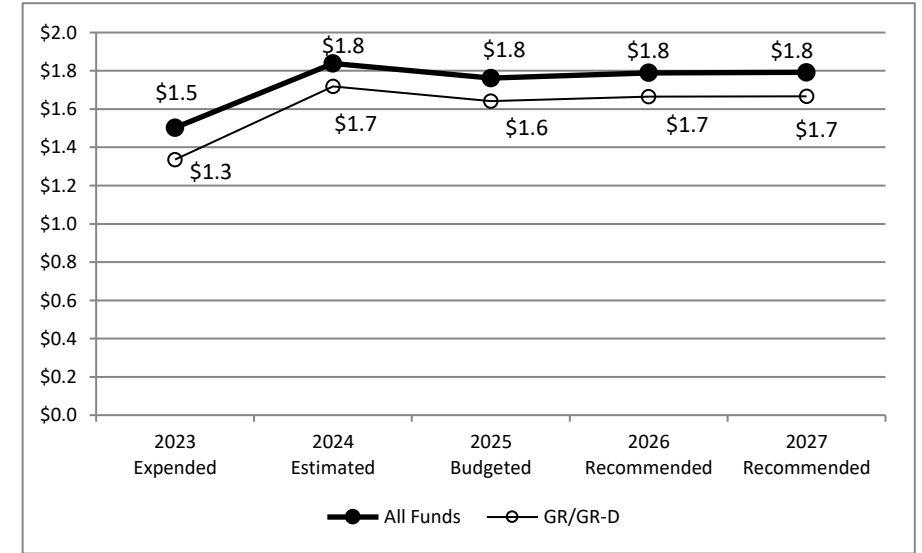
Ralph Harper, Executive Director

Kelsey Sims, LBB Analyst

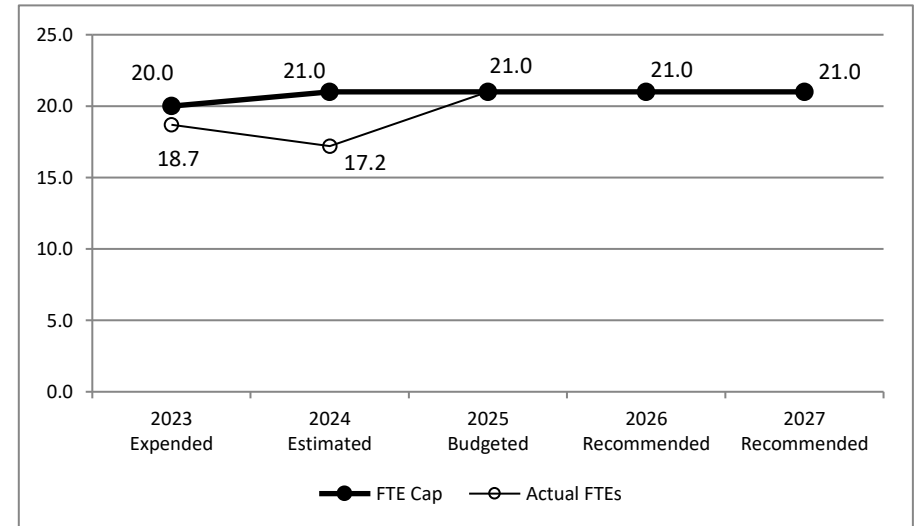
<b>Method of Financing</b>	<b>2024-25 Base</b>	<b>2026-27 Recommended</b>	<b>Biennial Change (\$)</b>	<b>Biennial Change (%)</b>
General Revenue Funds	\$3,359,649	\$3,330,730	(\$28,919)	(0.9%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$3,359,649</i>	<i>\$3,330,730</i>	<i>(\$28,919)</i>	<i>(0.9%)</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$239,934	\$250,000	\$10,066	4.2%
<b>All Funds</b>	<b>\$3,599,583</b>	<b>\$3,580,730</b>	<b>(\$18,853)</b>	<b>(0.5%)</b>

	<b>FY 2025 Budgeted</b>	<b>FY 2027 Recommended</b>	<b>Biennial Change</b>	<b>Percent Change</b>
FTEs	21.0	21.0	0.0	0.0%

**Historical Funding Levels (Millions)**



**Historical Full-Time-Equivalent Employees (FTEs)**



The bill pattern for this agency (2026-27 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2026-27 biennium.

**Executive Council of Physical Therapy &  
Occupational Therapy Examiners  
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<b><i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i></b>						
A) Relocate \$214,359 in General Revenue funding each fiscal year associated with the salaries of the Executive Director and Chief Financial Officer from Strategies A.1.1, Operate Licensing System, and B.1.1, Enforce the Physical Therapy and Occupational Therapy Practice Acts, to C.1.1, Indirect Administration.	\$0	\$0	\$0	\$0	\$0	A.1.1, B.1.1, C.1.1
<b><i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i></b>						
B) Increase in funding to biennialize the statewide salary adjustments included in the 2024-25 appropriations.	\$57,625	\$0	\$0	\$0	\$57,625	A.1.1, B.1.1
C) Removal of one-time costs related to the transition to a shared regulatory database.	(\$159,800)	\$0	\$0	\$0	(\$159,800)	A.1.1
D) Increase from Health Professions Council vendor costs related to the shared regulatory database.	\$39,224	\$0	\$0	\$0	\$39,224	A.1.1
E) Increase to meet anticipated costs of Department of Information Resources charges for participation in Texas.gov	\$34,032	\$0	\$0	\$0	\$34,032	A.1.2
F) Net increase in Appropriated Receipts due to anticipated growth in licensed population	\$0	\$0	\$0	\$10,066	\$10,066	A.1.1, B.1.1, C.1.1
<b>TOTAL SIGNIFICANT &amp; OTHER Funding Changes and Recommendations</b>	<b>(\$28,919)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,066</b>	<b>(\$18,853)</b>	As Listed
<i>SIGNIFICANT &amp; OTHER Funding Increases</i>	\$130,881	\$0	\$0	\$10,066	\$140,947	As Listed
<i>SIGNIFICANT &amp; OTHER Funding Decreases</i>	(\$159,800)	\$0	\$0	\$0	(\$159,800)	As Listed

NOTE: Totals may not sum due to rounding.

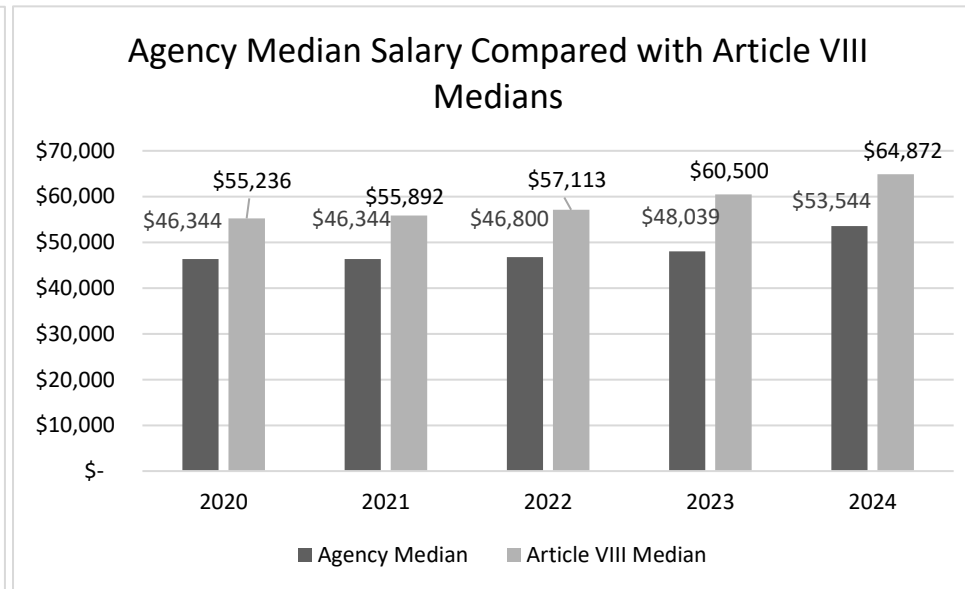
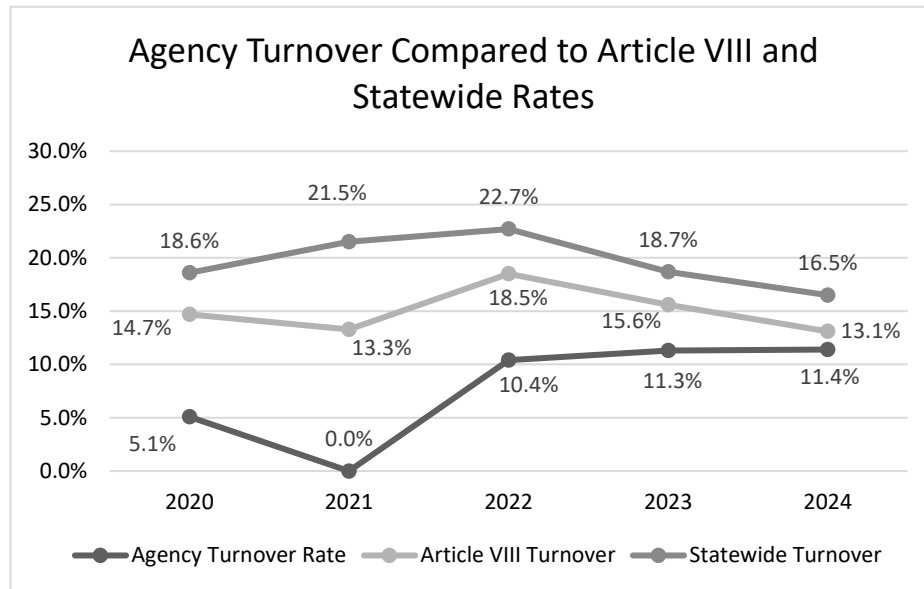
**Executive Council of Physical Therapy & Occupational Therapy Examiners  
Selected Fiscal and Policy Issues - House**

- Indirect Administration.** Recommendations relocate \$124,415 annually and 1.0 FTE from Strategy A.1.1, Issue and Renew Licenses, and \$89,944 annually and 1.0 FTE from Strategy B.1.1, Enforce the Physical Therapy and Occupational Therapy Practice Acts, into Strategy C.1.1., Indirect Administration.

These figures represent the salaries and FTEs associated with the positions of Executive Director and Chief Financial Officer, who would be paid out of the Indirect Administration strategy to better reflect the agency’s indirect administration costs. Recommendations would increase Strategy C.1.1. by a biennial total of \$428,718 and 2.0 FTEs. The agency’s base request for this strategy was for \$20,012 and included no funding for salaries or FTEs.

- Staff Retention.** Recommendations include an increase of \$57,625 in General Revenue for the biennialized statewide salary increase provided in the 2024-25 biennium. The agency maintains, however, that it faces difficulties recruiting and retaining qualified staff due to a competitive job market in Central Texas. To maintain a skilled workforce capable of adapting to new technological systems, the agency requests \$168,522 in General Revenue for the 2026-27 biennium for targeted equity adjustments.

Analysis of State Auditor’s Office (SAO) FTE data shows that the agency’s turnover rate has increased by 124% over the last five years, with the highest rate, 11.4%, occurring in 2024. As the line graph below shows, agency turnover rates are below Article VIII and statewide turnover rates, however, SAO salary data indicates that the agency’s median salary has been below other Article VIII agency’s median salaries for the past five years with the gap in salaries between the agency and other Article VII agencies growing from \$8,892 to \$11,328 from 2020 to 2024.



**Executive Council of Physical Therapy &  
Occupational Therapy Examiners  
Items Not Included in Recommendations - House**

	2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
	GR & GR-D	All Funds	FTEs			

**Agency Exceptional Items Not Included (in agency priority order)**

1)	General Revenue funding to provide competitive salaries to retain current staff and to fund anticipated lump sum termination payments.	\$168,522	\$168,522	0.0	No	No	\$204,696
2)	Authority to increase the annual authorized salary amount for the Executive Director position from \$116,508 to \$129,765 within Salary Group 2.	\$0	\$0	0.0	No	No	\$0
3)	General Revenue funding to maintain use of the Parchment transcript management program, incorporate DocuSign signature software upgrade, and implement new call center phone software.	\$67,645	\$67,645	0.0	No	No	\$63,786

<b>TOTAL Items Not Included in Recommendations</b>		<b>\$236,167</b>	<b>\$236,167</b>	<b>0.0</b>			<b>\$268,482</b>
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**Executive Council of Physical Therapy &  
Occupational Therapy Examiners  
Appendices - House**

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\* Appendix is not included - no significant information to report

**Executive Council of Physical Therapy & Occupational Therapy Examiners  
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

<b>Strategy/Goal</b>	<b>2024-25 Base</b>	<b>2026-27 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>	<b>Comments</b>
OPERATE LICENSING SYSTEM A.1.1	\$2,041,659	\$1,658,440	(\$383,219)	(18.8%)	Recommendations in General Revenue include the following: a) an increase of \$56,055 for the biennialization of the statewide salary increase and maintenance of salaries at fiscal year 2025 levels, b) an increase of \$39,224 to cover the agency's share of increased costs from the Health Professions Council (HPC) via IAC, c) an increase of \$34,032 for operational needs, d) an increase of \$5,776 in utilities costs related to anticipated increases resulting from the use of the licensing database, e) a decrease of \$248,830 for relocation of funding for the Executive Director and Chief Financial Officer positions to Strategy C.1.1., Indirect Administration, f) a decrease of \$159,800 due to elimination of one-time costs related to transitioning to HPC's Versa licensing database in 2024, g) a decrease of \$48,122 in travel costs related to strategy reallocation and elimination of expenses incurred from increased board member travel in 2024-25, h) a decrease of \$35,944 for strategy reallocation of other operating expenses, and i) a decrease of \$25,610 to return operating expenses to fiscal year 2024 levels.
TEXAS.GOV A.1.2	\$354,360	\$388,392	\$34,032	9.6%	Recommendations in General Revenue include an increase of \$34,032 in anticipation of increased costs for DIR Texas.gov pass-through fees.
<b>Total, Goal A, LICENSING</b>	<b>\$2,396,019</b>	<b>\$2,046,832</b>	<b>(\$349,187)</b>	<b>(14.6%)</b>	

**Executive Council of Physical Therapy & Occupational Therapy Examiners  
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

<b>Strategy/Goal</b>	<b>2024-25 Base</b>	<b>2026-27 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>	<b>Comments</b>
ADMINISTER ENFORCEMENT B.1.1	\$1,189,868	\$1,085,168	(\$104,700)	(8.8%)	Recommendations in General Revenue include the following: a) an increase of \$35,944 for strategy reallocation of other operating expenses, b) an increase of \$33,252 for the biennialization of the statewide salary increase and maintenance of salaries at fiscal year 2025 levels, c) an increase of \$3,072 in utilities costs related to anticipated increases resulting from the use of the licensing database, d) an increase of \$2,920 in travel costs related to strategy reallocation, and e) a decrease of \$179,888 for relocation of funding for the Executive Director and Chief Financial Officer positions to Strategy C.1.1., Indirect Administration.
<b>Total, Goal B, ENFORCEMENT</b>	<b>\$1,189,868</b>	<b>\$1,085,168</b>	<b>(\$104,700)</b>	<b>(8.8%)</b>	
INDIRECT ADMINISTRATION C.1.1	\$13,696	\$448,730	\$435,034	3,176.4%	Recommendations in General Revenue include: a) an increase of \$428,718 associated with the relocation of funding for the Executive Director and Chief Financial Officer positions from Strategies A.1.1. and B.1.1, Operate Licensing Systems and Administer Enforcement, respectively, and b) an increase of \$6,316 in other operating expenses.
<b>Total, Goal C, INDIRECT ADMINISTRATION</b>	<b>\$13,696</b>	<b>\$448,730</b>	<b>\$435,034</b>	<b>3,176.4%</b>	
<b>Grand Total, All Strategies</b>	<b>\$3,599,583</b>	<b>\$3,580,730</b>	<b>(\$18,853)</b>	<b>(0.5%)</b>	

**Executive Council of Physical Therapy &  
Occupational Therapy Examiners  
FTE Highlights - House**

<b>Full-Time-Equivalent Positions</b>	<b>Expended 2023</b>	<b>Estimated 2024</b>	<b>Budgeted 2025</b>	<b>Recommended 2026</b>	<b>Recommended 2027</b>
Cap	20.0	21.0	21.0	21.0	21.0
Actual/Budgeted	18.7	17.2	21.0	NA	NA

<b>Schedule of Exempt Positions (Cap)</b>					
Executive Director, Group 2	\$104,424	\$112,779	\$116,508	\$116,508	\$116,508

Note:  
The State Auditor's Office Report, *Executive Compensation at State Agencies* (Report 25-702, October 2024), indicates a market average salary of \$118,843 for the Executive Director position at the Executive Council of Physical Therapy and Occupational Therapy Examiners. The agency is requesting authority and funding to raise the salary to the Group 2 cap of \$129,765.