

# OTCC Financial Sustainability Plan

June 3, 2025

This document outlines three scenarios developed by the Occupational Therapy Compact Commission's (OTCC) Finance Committee for consideration to ensure solvency through the end of OTCC's Fiscal Year 2026 (ending September 30, 2026). The financial sustainability is directly related to each state's ability to onboard to the CompactConnect data system and be able to exchange information and issue Privileges to Practice. It is difficult to determine the different pathways to financial sustainability beyond FY26 because of many unknowns regarding the number of privileges to practice that will be sold.

## Current Status

- The OTCC expects the CompactConnect data system to be minimally viable (minimally operational) and for the first states to begin issuing privileges to practice no sooner than OTCC Q4 of FY25 (the period July through September 2025).
- As of April 2025, there are currently 32 states who are members of the interstate compact.
- The 32 member states collectively have a total of 124,426 OT and OTA license holders (NBCOT, 2024 data).
- The rate at which member states are onboarded to CompactConnect and their home licensees are allowed to request Privileges to Practice is unknown and depends on numerous state and federal-level factors that impact each state's readiness.

## Operating Budget

**The projected expenditures for FY26 are \$447,170;** the projected cash availability is \$477,238, comprised of \$175,000 from NBCOT and AOTA, and \$302,238 in non-recurring unspent funds from the prior fiscal year. These projections are subject to change with unanticipated operating expenses, including additional unforeseen costs associated with CompactConnect. No additional revenue is currently committed from NBCOT, AOTA, or other partners beyond FY26. Without revenue from partners, Privileges to Practice and/or State Assessment fees OTCC will not be solvent in FY27.

## Privilege to Practice

The OTCC adopted a non-refundable Commission Administrative Fee of \$75.00 to be paid by the licensee to the Commission for each state in which a Privilege to Practice is requested in addition to each individual State's Fee, if applicable. The Commission Administrative Fee is subject to change through the Rule Making authority of the Commission.

## State Fee

Member states who implement a State Fee will generate revenue from their State Fees associated with OTC privileges to practice. This non-refundable fee is established by each individual Member State, collected by the Commission, and forwarded to the Member State.

## State Assessment

The OTCC has the authority to assess an annual State Assessment fee to member states, which is a potential revenue source for the OTCC defined in the OTC legislation. Ideally, sufficient revenue would be generated from issuing Privileges to Practice and a State Assessment would not be needed. Consideration should be given to the timing of this assessment since some member states will need lead

time to request approval and/or funding from their state legislatures, etc. Some states anticipate that this timeline may extend to two years or more.

If OTCC needs to assess this fee there are a few models currently existing with other licensure compacts that could be replicated here:

- PsyPact: fee based on the number of participants by state (\$10 pp/yr, \$6,000/yr maximum)
- Nursing: \$6,000/yr flat fee to member states to cover compact expenses and build reserve
- Physical Therapy: not currently assessing a fee (states pay a fee to FSBPT)
- Medical: not currently assessing a fee
- EMS: not currently assessing a fee

#### Financial Sustainability Scenario

- 1) OTCC will continue to work closely with current member states to prepare them for onboarding into Compact Connect as quickly as possible. OTCC will receive the Commission Administrative Fee of \$75.00, paid by the licensee to the Commission for each state in which a Privilege to Practice is issued.
- 2) Announce a state assessment fee (will be reviewed annually) of \$2,000.00 per member state, due to the OTCC by July 31, 2027, or as soon as practical thereafter. This will be assessed against states that are issuing and accepting Privileges to Practice on or before June 30, 2027.
- 3) The Finance Committee should meet early calendar year 2026 to review current state onboarding rates and sales of Privileges to Practice.
- 4) Funding from partners and grant sources should continue to be pursued.

#### Additional Information for Reference

<i><b>Data for Reference</b></i>	<b># Total Licensees</b>	<b>If 10% Purchase PTP</b>	<b>Annual Revenue</b>	<b>If 20% Purchase PTP</b>	<b>Annual Revenue</b>
10% of states onboard	12,443	1,244	\$93,323	2,489	\$186,645
20% of states onboard	24,885	2,489	\$186,645	4,978	\$373,350
30% of states onboard	37,329	3,733	\$279,975	7,466	\$559,950
40% of states onboard	49,770	4,977	\$373,275	9,954	\$746,550
50% of states onboard	62,215	6,222	\$466,650	12,444	\$933,300

*Add info about other compacts' experience/rate of issuing PTP, when available – Nahale is researching*