

LEGISLATIVE APPROPRIATIONS REQUEST

FOR FISCAL YEARS 2016 AND 2017

**SUBMITTED TO THE
GOVERNOR'S OFFICE OF BUDGET AND PLANNING
AND THE LEGISLATIVE BUDGET BOARD**

BY

OFFICE OF PUBLIC INSURANCE COUNSEL



AUGUST 2014

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Submitted by:



Deeia Beck, Public Counsel

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359 Office of Public Insurance Counsel

The Office of Public Insurance Counsel (OPIC) is a state agency created by the 72nd State Legislature in 1991. OPIC is authorized by statute to assess the impact of insurance rates, rules, and forms on insurance consumers and directed to act as an advocate of positions that are advantageous to a substantial number of consumers. The agency is funded by a statutorily set fee of 5.7 cents assessed on certain insurance policies. The agency's authority, structure, and method of funding are detailed in Chapter 501 of the Texas Insurance Code.

OPIC's primary mission is to represent solely the interests of consumers on insurance rates, rules, and forms. The agency intervenes as a party and presents actuarial and economic evidence in rate hearings and rate filings before the Commissioner of Insurance and the State Office of Administrative Hearings. OPIC provides proposals and analysis to the Commissioner of Insurance on rules and forms regulated by the Texas Department of Insurance (TDI).

Section 501.252 directs the agency to annually develop an HMO consumer report card. Section 501.156 directs the agency to submit to TDI for adoption a consumer bill of rights appropriate to personal lines of insurance regulated by TDI. Bills of rights are designed to advise consumers of their rights and are updated as new rules and regulations require.

Since the passage of SB 14, 78th Regular Legislative Session, the regulation of insurance rates, rating classification plans, and policy forms has changed significantly. Individual insurers are directed to file and use their own rates and rating classification plans. OPIC is authorized to review these rate filings to determine whether they are actuarially sound and meet the statutory rate standards. OPIC presents its findings to the Commissioner of Insurance and may object to a filing which fails to meet the standard. In many cases, filings are highly technical and complex and may be the subject of negotiations and/or a contested evidentiary hearing. In these circumstances, the agency finds it necessary to contract for the professional services of actuarial and testifying experts. The cost of these services is expected to continue to increase.

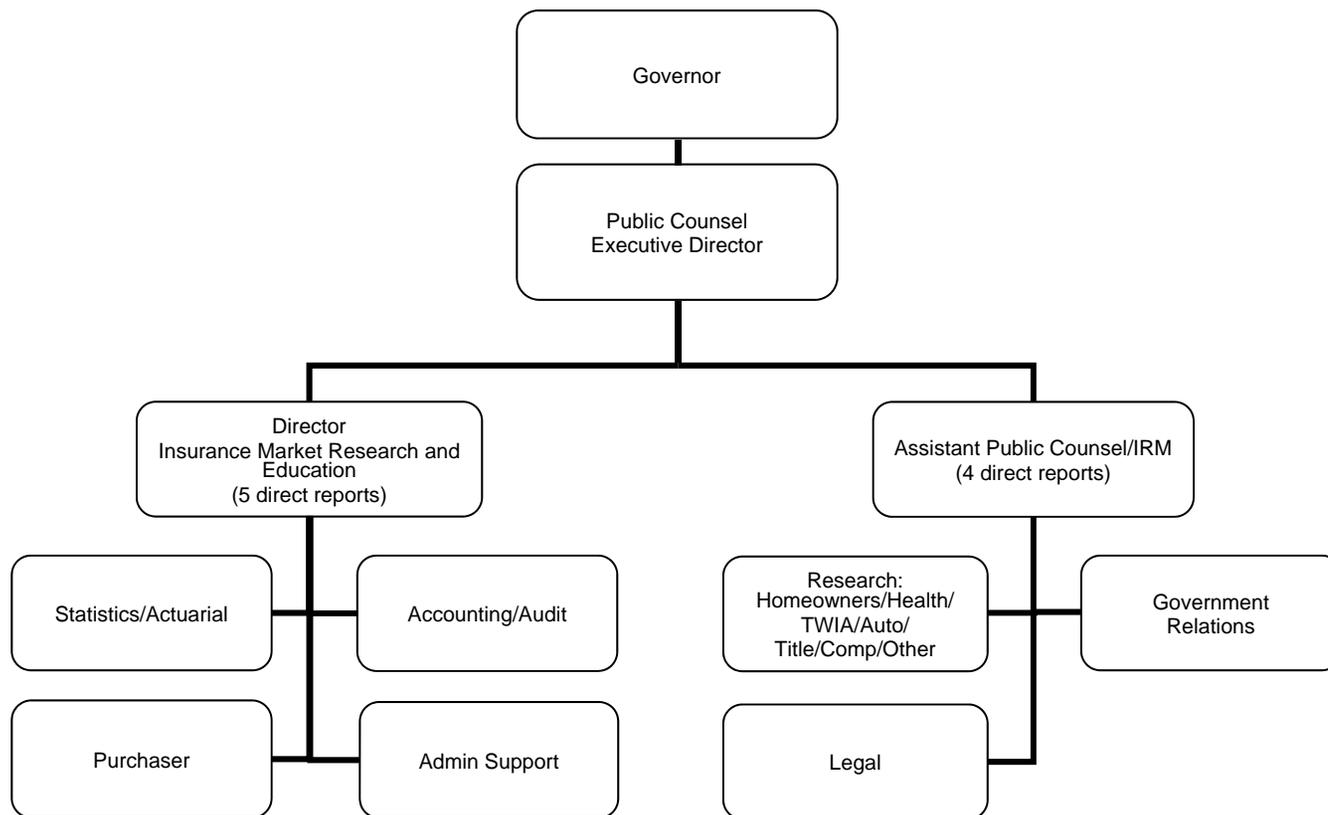
The passage of other laws has impacted the occurrence and frequency of other rate hearings as well. TWIA, TAIPA, and Title rate cases have all undergone changes in their hearing statutes which will result in a net reduction in those types of hearings in the coming years.

As a result of action by the 82nd Legislature, OPIC's responsibilities for consumer education has increased significantly as well. OPIC is tasked to reach over 62% of all Texas insurance consumers (in excess of nine million total) with information about insurance. Additionally, OPIC's measure for public presentations/communications has increased over four fold. These activities are valuable and important to consumers, but require significant resources from the agency.

Federal health care reform (H.B. 3590) may impact OPIC's budgetary requirements. At present, OPIC is not requesting additional funding as the State's role in health care continues to evolve making any request extremely speculative. Should OPIC be directed to perform duties for which present funding or possible federal funding is inadequate; we will advise the appropriate entities and possibly request additional funding.

Lastly, OPIC is requesting a salary increase for the Public Counsel/Executive Director to \$140,000 annually. OPIC is not asking for additional funding for this increase. As authorized by the Legislature, the salary of the Public Counsel (Group 4) may range from \$106,500 to \$167,500. The Public Counsel has diverse responsibilities including maintaining a current working knowledge of issues for all lines of consumer insurance, litigating multi-million dollar lawsuits concerning excessive insurance rates, directing strategic planning for the agency, supervising and hiring personnel, and being the public face representing the agency to the public, media, and other interested groups. A satisfactory salary for this position is necessary for the position to be competitive with other state agency and private counterparts.

OFFICE OF PUBLIC INSURANCE COUNSEL



2.A. Summary of Base Request by Strategy

8/20/2014 12:27:58PM

84th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

359 Office of Public Insurance Counsel

Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>1</u> Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings					
<u>1</u> Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers					
1 PARTICIPATE IN RATE/RULE HEARINGS	847,034	850,085	862,371	862,370	862,371
TOTAL, GOAL 1	\$847,034	\$850,085	\$862,371	\$862,370	\$862,371
<u>2</u> Increase Consumer Choice-Educate Texas Insurance Consumers					
<u>1</u> Contact Insurance Consumers Regarding Insurance Coverage/Markets					
1 INSURANCE INFORMATION	191,670	191,670	191,670	191,670	191,670
TOTAL, GOAL 2	\$191,670	\$191,670	\$191,670	\$191,670	\$191,670
TOTAL, AGENCY STRATEGY REQUEST	\$1,038,704	\$1,041,755	\$1,054,041	\$1,054,040	\$1,054,041
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$1,038,704	\$1,041,755	\$1,054,041	\$1,054,040	\$1,054,041

2.A. Summary of Base Request by Strategy

8/20/2014 12:27:58PM

84th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

359 Office of Public Insurance Counsel

Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	847,034	850,085	862,371	862,370	862,371
SUBTOTAL	\$847,034	\$850,085	\$862,371	\$862,370	\$862,371
Other Funds:					
777 Interagency Contracts	191,670	191,670	191,670	191,670	191,670
SUBTOTAL	\$191,670	\$191,670	\$191,670	\$191,670	\$191,670
TOTAL, METHOD OF FINANCING	\$1,038,704	\$1,041,755	\$1,054,041	\$1,054,040	\$1,054,041

*Rider appropriations for the historical years are included in the strategy amounts.

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/20/2014 12:27:58PM

Agency code: **359** Agency name: **Office of Public Insurance Counsel**

METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE</u>					
<u>1</u> General Revenue Fund					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2012-13 GAA)	\$841,418	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2014-15 GAA)	\$0	\$843,242	\$843,243	\$0	\$0
Regular Appropriations from MOF Table (2012-13 GAA)	\$6,667	\$0	\$0	\$0	\$0
Comments: Art IX, Sec 8.03 Reimbursement and Payments					
Regular Appropriations from MOF Table (2016-17 GAA)	\$0	\$0	\$0	\$862,370	\$862,371
<i>TRANSFERS</i>					
Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)	\$0	\$6,843	\$19,128	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/20/2014 12:27:58PM

Agency code: 359	Agency name: Office of Public Insurance Counsel				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE</u>					
Regular Appropriations from MOF Table (2012-13 GAA)	\$ (1,051)	\$ 0	\$ 0	\$ 0	\$ 0
Regular Appropriations from MOF Table (2014-15 GAA)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL, General Revenue Fund	\$847,034	\$850,085	\$862,371	\$862,370	\$862,371
TOTAL, ALL GENERAL REVENUE	\$847,034	\$850,085	\$862,371	\$862,370	\$862,371

OTHER FUNDS

777 Interagency Contracts
TRANSFERS

Interagency Contracts (2012-13 GAA)	\$191,670	\$ 0	\$ 0	\$ 0	\$ 0
Interagency contracts (2014-15 GAA)	\$ 0	\$191,670	\$191,670	\$ 0	\$ 0
Interagency Contracts (2016-17 GAA)					

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/20/2014 12:27:58PM

Agency code: 359	Agency name: Office of Public Insurance Counsel				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>OTHER FUNDS</u>	\$0	\$0	\$0	\$191,670	\$191,670
TOTAL, Interagency Contracts	\$191,670	\$191,670	\$191,670	\$191,670	\$191,670
TOTAL, ALL OTHER FUNDS	\$191,670	\$191,670	\$191,670	\$191,670	\$191,670
GRAND TOTAL	\$1,038,704	\$1,041,755	\$1,054,041	\$1,054,040	\$1,054,041

FULL-TIME-EQUIVALENT POSITIONS

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2012-13 GAA)	15.0	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2014-15 GAA)	0.0	15.0	15.0	0.0	0.0
Regular Appropriations from MOF Table (2016-17 GAA)	0.0	0.0	0.0	15.0	15.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP	(4.9)	0.0	0.0	0.0	0.0
	0.0	(4.9)	0.0	0.0	0.0
TOTAL, ADJUSTED FTES	10.1	10.1	15.0	15.0	15.0

2.B. Summary of Base Request by Method of Finance
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

8/20/2014 12:27:58PM

Agency code: **359**

Agency name: **Office of Public Insurance Counsel**

METHOD OF FINANCING

Exp 2013

Est 2014

Bud 2015

Req 2016

Req 2017

**NUMBER OF 100% FEDERALLY
FUNDED FTEs**

2.C. Summary of Base Request by Object of Expense
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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359 Office of Public Insurance Counsel

OBJECT OF EXPENSE	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AND WAGES	\$682,373	\$720,918	\$814,758	\$814,757	\$814,758
1002 OTHER PERSONNEL COSTS	\$39,760	\$51,181	\$37,400	\$37,400	\$37,400
2001 PROFESSIONAL FEES AND SERVICES	\$203,250	\$163,793	\$104,033	\$104,033	\$104,033
2003 CONSUMABLE SUPPLIES	\$3,739	\$3,484	\$2,000	\$2,000	\$2,000
2004 UTILITIES	\$3,210	\$2,688	\$3,300	\$3,300	\$3,300
2005 TRAVEL	\$8,685	\$6,300	\$9,500	\$9,500	\$9,500
2006 RENT - BUILDING	\$0	\$0	\$1,560	\$1,560	\$1,560
2007 RENT - MACHINE AND OTHER	\$8,475	\$7,291	\$7,539	\$7,539	\$7,539
2009 OTHER OPERATING EXPENSE	\$89,212	\$86,100	\$73,951	\$73,951	\$73,951
OOE Total (Excluding Riders)	\$1,038,704	\$1,041,755	\$1,054,041	\$1,054,040	\$1,054,041
OOE Total (Riders)					
Grand Total	\$1,038,704	\$1,041,755	\$1,054,041	\$1,054,040	\$1,054,041

2.D. Summary of Base Request Objective Outcomes
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

8/20/2014 12:27:59PM

359 Office of Public Insurance Counsel

Goal/ Objective / Outcome	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings					
1 Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers					
1 Percentage of Rate Hearings in Which OPIC Participated	150.00%	0.00%	100.00%	100.00%	100.00%
KEY 2 Percentage of Rate and Rule Proceedings in Which OPIC Participated	79.38%	81.00%	75.00%	75.00%	75.00%
KEY 3 % of Rates and Rules Changed As a Result of OPIC Participation	96.10%	98.00%	90.00%	90.00%	90.00%
2 Increase Consumer Choice-Educate Texas Insurance Consumers					
1 Contact Insurance Consumers Regarding Insurance Coverage/Markets					
KEY 1 Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts	67.47%	62.00%	62.00%	62.00%	62.00%
2 % Bills of Rights Submitted for Adoption within Established Timelines	0.00%	0.00%	100.00%	100.00%	100.00%

2.F. Summary of Total Request by Strategy
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/20/2014
 TIME : 12:27:59PM

Agency code: 359		Agency name: Office of Public Insurance Counsel				
Goal/Objective/STRATEGY	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
1 Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearin						
<i>1 Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consu</i>						
1 PARTICIPATE IN RATE/RULE HEARINGS	\$862,370	\$862,371	\$0	\$0	\$862,370	\$862,371
TOTAL, GOAL 1	\$862,370	\$862,371	\$0	\$0	\$862,370	\$862,371
2 Increase Consumer Choice-Educate Texas Insurance Consumers						
<i>1 Contact Insurance Consumers Regarding Insurance Coverage/Marke</i>						
1 INSURANCE INFORMATION	191,670	191,670	0	0	191,670	191,670
TOTAL, GOAL 2	\$191,670	\$191,670	\$0	\$0	\$191,670	\$191,670
TOTAL, AGENCY STRATEGY REQUEST	\$1,054,040	\$1,054,041	\$0	\$0	\$1,054,040	\$1,054,041
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$1,054,040	\$1,054,041	\$0	\$0	\$1,054,040	\$1,054,041

2.F. Summary of Total Request by Strategy
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/20/2014
 TIME : 12:27:59PM

Agency code: 359		Agency name: Office of Public Insurance Counsel				
<i>Goal/Objective/STRATEGY</i>	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
General Revenue Funds:						
1 General Revenue Fund	\$862,370	\$862,371	\$0	\$0	\$862,370	\$862,371
	\$862,370	\$862,371	\$0	\$0	\$862,370	\$862,371
Other Funds:						
777 Interagency Contracts	191,670	191,670	0	0	191,670	191,670
	\$191,670	\$191,670	\$0	\$0	\$191,670	\$191,670
TOTAL, METHOD OF FINANCING	\$1,054,040	\$1,054,041	\$0	\$0	\$1,054,040	\$1,054,041
FULL TIME EQUIVALENT POSITIONS	15.0	15.0	0.0	0.0	15.0	15.0

2.G. Summary of Total Request Objective Outcomes
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/20/2014
 Time: 12:27:59PM

Agency code: 359

Agency name: Office of Public Insurance Counsel

Goal/ Objective / Outcome

		BL 2016	BL 2017	Excp 2016	Excp 2017	Total Request 2016	Total Request 2017
1	Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings						
1	<i>Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers</i>						
	1 Percentage of Rate Hearings in Which OPIC Participated						
		100.00%	100.00%			100.00%	100.00%
KEY	2 Percentage of Rate and Rule Proceedings in Which OPIC Participated						
		75.00%	75.00%			75.00%	75.00%
KEY	3 % of Rates and Rules Changed As a Result of OPIC Participation						
		90.00%	90.00%			90.00%	90.00%
2	Increase Consumer Choice-Educate Texas Insurance Consumers						
1	<i>Contact Insurance Consumers Regarding Insurance Coverage/Markets</i>						
KEY	1 Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts						
		62.00%	62.00%			62.00%	62.00%
	2 % Bills of Rights Submitted for Adoption within Established Timelines						
		100.00%	100.00%			100.00%	100.00%

3.A. Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/20/2014 12:27:59PM

359 Office of Public Insurance Counsel

GOAL: 1 Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers Service Categories:
 STRATEGY: 1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
KEY 1	Number of Rate Hearings in Which OPIC Participated	3.00	0.00	2.00	1.00	1.00
KEY 2	Number of Rate Filings in Which OPIC Participated	21.00	29.00	25.00	25.00	25.00
KEY 3	Number of Rulemaking Proceedings in Which OPIC Participated	56.00	28.00	40.00	40.00	40.00
4	Number of Proposed Rules Analyzed	19.00	10.00	15.00	15.00	15.00
5	Number of Rate Filings Analyzed	1.00	3.00	10.00	5.00	5.00
Efficiency Measures:						
1	Average Cost per Rate Hearing in Which OPIC Participated	46,206.00	52,500.00	52,500.00	52,500.00	52,500.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$621,872	\$611,666	\$688,288	\$671,587	\$671,588
1002	OTHER PERSONNEL COSTS	\$39,760	\$51,181	\$37,400	\$37,400	\$37,400
2001	PROFESSIONAL FEES AND SERVICES	\$81,286	\$120,375	\$79,033	\$99,033	\$99,033
2003	CONSUMABLE SUPPLIES	\$3,739	\$3,484	\$2,000	\$2,000	\$2,000
2004	UTILITIES	\$3,210	\$2,688	\$3,300	\$3,300	\$3,300
2006	RENT - BUILDING	\$0	\$0	\$1,560	\$1,560	\$1,560
2007	RENT - MACHINE AND OTHER	\$8,475	\$7,291	\$7,539	\$7,539	\$7,539

3.A. Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/20/2014 12:27:59PM

359 Office of Public Insurance Counsel

GOAL: 1 Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers Service Categories:
 STRATEGY: 1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2009	OTHER OPERATING EXPENSE	\$88,692	\$53,400	\$43,251	\$39,951	\$39,951
TOTAL, OBJECT OF EXPENSE		\$847,034	\$850,085	\$862,371	\$862,370	\$862,371
Method of Financing:						
1	General Revenue Fund	\$847,034	\$850,085	\$862,371	\$862,370	\$862,371
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$847,034	\$850,085	\$862,371	\$862,370	\$862,371
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$862,370	\$862,371
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$847,034	\$850,085	\$862,371	\$862,370	\$862,371
FULL TIME EQUIVALENT POSITIONS:		9.1	8.1	12.0	12.0	12.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

The agency is directed by statute, Texas Insurance Code, Section 501.153, to advocate for consumers in matters involving rates, rules, and forms for numerous lines of insurance. This strategy contributes to the agency goal of advocating positions advantageous to consumers in rate hearings and rulemaking proceedings. These efforts directly contribute to statewide goals such as fostering economic opportunity and capital investment by promoting a favorable business climate, supporting infrastructure development, and ensuring that Texas consumers are effectively and efficiently served by high quality professionals and businesses by setting clear standards, maintaining compliance, and seeking market-based solutions.

3.A. Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/20/2014 12:27:59PM

359 Office of Public Insurance Counsel

GOAL:	1	Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	1	Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers	Service Categories:		
STRATEGY:	1	Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings	Service:	01	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The current system of ratemaking allows insurers to file and use their rates subject to statutory standards. The agency is authorized and directed to review and object to these filings by providing actuarial analysis and evidence to the Commissioner of Insurance. The agency's role in rate hearings and its participation in proceedings on rate filings will be decided largely by the reasonability and frequency of rate filings made by insurers and hearing schedules developed by the Texas Department of Insurance (TDI). Any additional changes within the regulatory structure of ratemaking may influence the duties, responsibilities, and fiscal needs of the agency.

3.A. Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/20/2014 12:27:59PM

359 Office of Public Insurance Counsel

GOAL: 2 Increase Consumer Choice-Educate Texas Insurance Consumers Statewide Goal/Benchmark: 8 8
 OBJECTIVE: 1 Contact Insurance Consumers Regarding Insurance Coverage/Markets Service Categories:
 STRATEGY: 1 Provide Consumers with Information to Make Informed Choices Service: 21 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
	1 Number of Bills of Rights or Revisions Proposed	0.00	0.00	1.00	1.00	1.00
KEY	2 Number of Report Cards and Publications Produced & Distributed	3,909,319.00	3,153,000.00	2,000,000.00	2,000,000.00	2,000,000.00
KEY	3 Number Public Presentations or Communications	1,573.00	1,984.00	200.00	200.00	200.00
Efficiency Measures:						
	1 Average Cost Per Consumer Reached through Agency Publications	0.01	0.01	0.02	0.02	0.02
Objects of Expense:						
1001	SALARIES AND WAGES	\$60,501	\$109,252	\$126,470	\$143,170	\$143,170
2001	PROFESSIONAL FEES AND SERVICES	\$121,964	\$43,418	\$25,000	\$5,000	\$5,000
2005	TRAVEL	\$8,685	\$6,300	\$9,500	\$9,500	\$9,500
2009	OTHER OPERATING EXPENSE	\$520	\$32,700	\$30,700	\$34,000	\$34,000
TOTAL, OBJECT OF EXPENSE		\$191,670	\$191,670	\$191,670	\$191,670	\$191,670
Method of Financing:						
777	Interagency Contracts	\$191,670	\$191,670	\$191,670	\$191,670	\$191,670
SUBTOTAL, MOF (OTHER FUNDS)		\$191,670	\$191,670	\$191,670	\$191,670	\$191,670

3.A. Strategy Request
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

8/20/2014 12:27:59PM

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$1,038,704	\$1,041,755	\$1,054,041	\$1,054,040	\$1,054,041
METHODS OF FINANCE (INCLUDING RIDERS):				\$1,054,040	\$1,054,041
METHODS OF FINANCE (EXCLUDING RIDERS):	\$1,038,704	\$1,041,755	\$1,054,041	\$1,054,040	\$1,054,041
FULL TIME EQUIVALENT POSITIONS:	10.1	10.1	15.0	15.0	15.0

6.A. Historically Underutilized Business Supporting Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/20/2014**
 Time: **12:28:00PM**

Agency Code: **359** Agency: **Office of Public Insurance Counsel**

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2012 - 2013 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2012			Total Expenditures FY 2012		HUB Expenditures FY 2013			Total Expenditures FY 2013	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	FY 2013		
23.6%	Professional Services	23.6 %	100.0%	76.4%	\$3,763	\$3,763	23.6 %	100.0%	76.4%	\$5,400	\$5,400	
24.6%	Other Services	24.6 %	49.5%	24.9%	\$24,992	\$50,458	24.6 %	39.6%	15.0%	\$24,209	\$61,137	
21.0%	Commodities	21.0 %	54.3%	33.3%	\$816	\$1,504	21.0 %	0.0%	-21.0%	\$0	\$2,065	
	Total Expenditures		53.1%		\$29,571	\$55,725		43.2%		\$29,609	\$68,602	

B. Assessment of Fiscal Year 2012 - 2013 Efforts to Meet HUB Procurement Goals

Attainment:

The agency attained or exceeded 3 of 3, or 100%, of the applicable agency HUB procurement goals in fiscal year 2012.

The agency attained or exceeded 3 of 3, or 100%, of the applicable agency HUB procurement goals in fiscal year 2013.

Applicability:

The following procurement categories are not applicable to OPIC:

- Heavy Construction
- Building Construction
- Special Trade

Factors Affecting Attainment:

OPIC contracts with HUB vendors whenever possible.

*One HUB vendor was inadvertently omitted from the HUB report for FY 2012.

"Good-Faith" Efforts:

OPIC makes every effort to contract with HUB vendors whenever possible through the following efforts:

- a minimum of three bids/quotes are sought from HUB vendors for every purchasing requisition;
- if three bids/quotes are not received an explanation is provided to the HUB Coordinator and Purchaser;
- explanation is given for selection of vendor; and
- new HUB vendors are contacted and assisted through the application process.

6.E. Estimated Revenue Collections Supporting Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **359** Agency name: **Office of Public Insurance Counsel**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
1 General Revenue Fund					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3205 Prop & Cas/Title/Other Assessment	2,417,111	2,493,289	2,381,000	2,381,000	2,381,000
Subtotal: Actual/Estimated Revenue	2,417,111	2,493,289	2,381,000	2,381,000	2,381,000
Total Available	\$2,417,111	\$2,493,289	\$2,381,000	\$2,381,000	\$2,381,000
DEDUCTIONS:					
Expended/Budgeted/Requested	(847,034)	(850,085)	(862,371)	(862,370)	(862,371)
Transfer Employee Benefits	(157,815)	(172,200)	(180,000)	(180,000)	(180,000)
Other Indirect Costs & Hobby Bldg	(70,878)	(71,000)	(71,000)	(71,000)	(71,000)
Total, Deductions	\$(1,075,727)	\$(1,093,285)	\$(1,113,371)	\$(1,113,370)	\$(1,113,371)
Ending Fund/Account Balance	\$1,341,384	\$1,400,004	\$1,267,629	\$1,267,630	\$1,267,629

REVENUE ASSUMPTIONS:

The agency does not anticipate any significant changes in revenue over the next biennium.

CONTACT PERSON:

Mark T Patterson

6.E. Estimated Revenue Collections Supporting Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **359** Agency name: **Office of Public Insurance Counsel**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
<u>777</u> Interagency Contracts					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3765 Supplies/Equipment/Services	191,670	191,670	191,670	191,670	191,670
Subtotal: Actual/Estimated Revenue	191,670	191,670	191,670	191,670	191,670
Total Available	\$191,670	\$191,670	\$191,670	\$191,670	\$191,670
DEDUCTIONS:					
Expended/Budgeted/Requested	(191,670)	(191,670)	(191,670)	(191,670)	(191,670)
Total, Deductions	\$(191,670)	\$(191,670)	\$(191,670)	\$(191,670)	\$(191,670)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

The agency does not anticipate any significant changes in revenue from interagency contracts over the next biennium.

CONTACT PERSON:

Mark T Patterson

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/20/2014
Time: 12:28:01PM

Agency code: **359** Agency name: **Office of Public Insurance Counsel**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
1 Salaries							
Category: Programs - Service Reductions (FTEs-Layoffs)							
Item Comment: The agency will reduce approximately \$84,324 in GR expenses over FY 2016 and FY 2017 by forgoing salary increases and staff layoffs as necessary.							
Strategy: 1-1-1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$42,162	\$42,162	\$84,324	
General Revenue Funds Total	\$0	\$0	\$0	\$42,162	\$42,162	\$84,324	
Item Total	\$0	\$0	\$0	\$42,162	\$42,162	\$84,324	
FTE Reductions (From FY 2016 and FY 2017 Base Request)							
2 Salaries/Layoffs							
Category: Programs - Service Reductions (FTEs-Layoffs)							
Item Comment: The agency will reduce approximately \$84,324 in GR expenses over FY 2016 and FY 2017 by forgoing salary increases and staff layoffs as necessary.							
Strategy: 1-1-1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$42,162	\$42,163	\$84,325	
General Revenue Funds Total	\$0	\$0	\$0	\$42,162	\$42,163	\$84,325	
Item Total	\$0	\$0	\$0	\$42,162	\$42,163	\$84,325	
FTE Reductions (From FY 2016 and FY 2017 Base Request)							
AGENCY TOTALS							
General Revenue Total				\$84,324	\$84,325	\$168,649	\$168,649

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/20/2014
Time: 12:28:01PM

Agency code: **359** Agency name: **Office of Public Insurance Counsel**

<u>Item Priority and Name/ Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Agency Grand Total	\$0	\$0	\$0	\$84,324	\$84,325	\$168,649	
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2016 and FY 2017 Base Request)							

7.A. Indirect Administrative and Support Costs
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

8/20/2014 12:28:02PM

359 Office of Public Insurance Counsel

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-1-1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$16,583	\$ 16,311	\$ 18,354	\$ 17,909	\$ 17,909
1002 OTHER PERSONNEL COSTS	1,060	1,365	997	997	997
2001 PROFESSIONAL FEES AND SERVICES	2,168	3,210	2,108	2,641	2,641
2003 CONSUMABLE SUPPLIES	100	93	53	53	53
2004 UTILITIES	86	72	88	88	88
2006 RENT - BUILDING	0	0	42	42	42
2007 RENT - MACHINE AND OTHER	226	194	201	201	201
2009 OTHER OPERATING EXPENSE	2,365	1,424	1,153	1,065	1,065
Total, Objects of Expense	\$22,588	\$22,669	\$22,996	\$22,996	\$22,996
METHOD OF FINANCING:					
1 General Revenue Fund	22,588	22,669	22,996	22,996	22,996
Total, Method of Financing	\$22,588	\$22,669	\$22,996	\$22,996	\$22,996
FULL TIME EQUIVALENT POSITIONS	1.8	1.8	1.8	1.8	1.8
Method of Allocation					

7.A. Indirect Administrative and Support Costs
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

8/20/2014 12:28:02PM

359 Office of Public Insurance Counsel

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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In general, indirect administrative and support costs are allocated proportionately among all strategies on the basis of budget size for each fiscal year. This method was selected because the agency is small and labor-intensive, requiring all staff to perform some indirect administrative duties.

7.A. Indirect Administrative and Support Costs
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/20/2014 12:28:02PM

359 Office of Public Insurance Counsel

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2-1-1 Provide Consumers with Information to Make Informed Choices					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$1,613	\$ 2,913	\$ 3,373	\$ 3,818	\$ 3,818
2001 PROFESSIONAL FEES AND SERVICES	3,252	1,158	667	133	133
2005 TRAVEL	232	168	253	253	253
2009 OTHER OPERATING EXPENSE	14	872	818	907	907
Total, Objects of Expense	\$5,111	\$5,111	\$5,111	\$5,111	\$5,111
METHOD OF FINANCING:					
1 General Revenue Fund	5,111	5,111	5,111	5,111	5,111
Total, Method of Financing	\$5,111	\$5,111	\$5,111	\$5,111	\$5,111
FULL TIME EQUIVALENT POSITIONS	0.2	0.2	0.2	0.2	0.2
Method of Allocation					

In general, indirect administrative and support costs are allocated proportionately among all strategies on the basis of budget size for each fiscal year. This method was selected because the agency is small and labor-intensive, requiring all staff to perform some indirect administrative duties.

7.A. Indirect Administrative and Support Costs
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/20/2014 12:28:02PM

359 Office of Public Insurance Counsel

	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$18,196	\$19,224	\$21,727	\$21,727	\$21,727
1002 OTHER PERSONNEL COSTS	\$1,060	\$1,365	\$997	\$997	\$997
2001 PROFESSIONAL FEES AND SERVICES	\$5,420	\$4,368	\$2,775	\$2,774	\$2,774
2003 CONSUMABLE SUPPLIES	\$100	\$93	\$53	\$53	\$53
2004 UTILITIES	\$86	\$72	\$88	\$88	\$88
2005 TRAVEL	\$232	\$168	\$253	\$253	\$253
2006 RENT - BUILDING	\$0	\$0	\$42	\$42	\$42
2007 RENT - MACHINE AND OTHER	\$226	\$194	\$201	\$201	\$201
2009 OTHER OPERATING EXPENSE	\$2,379	\$2,296	\$1,971	\$1,972	\$1,972
Total, Objects of Expense	\$27,699	\$27,780	\$28,107	\$28,107	\$28,107
Method of Financing					
1 General Revenue Fund	\$27,699	\$27,780	\$28,107	\$28,107	\$28,107
Total, Method of Financing	\$27,699	\$27,780	\$28,107	\$28,107	\$28,107
Full-Time-Equivalent Positions (FTE)	2.0	2.0	2.0	2.0	2.0

7.B. Direct Administrative and Support Costs
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/20/2014
 TIME : 12:28:02PM

Agency code: 359

Agency name: Office of Public Insurance Counsel

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-1-1	Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$66,333	\$65,244	\$73,417	\$71,636	\$71,636
1002 OTHER PERSONNEL COSTS	4,241	5,459	3,989	3,989	3,989
2001 PROFESSIONAL FEES AND SERVICES	8,671	12,840	8,430	10,564	10,564
2003 CONSUMABLE SUPPLIES	399	372	213	213	213
2004 UTILITIES	342	287	352	352	352
2006 RENT - BUILDING	0	0	166	166	166
2007 RENT - MACHINE AND OTHER	904	778	804	804	804
2009 OTHER OPERATING EXPENSE	9,460	5,696	4,613	4,261	4,261
Total, Objects of Expense	\$90,350	\$90,676	\$91,984	\$91,985	\$91,985
METHOD OF FINANCING:					
1 General Revenue Fund	90,350	90,676	91,984	91,985	91,985
Total, Method of Financing	\$90,350	\$90,676	\$91,984	\$91,985	\$91,985
FULL-TIME-EQUIVALENT POSITIONS (FTE):	1.8	1.8	1.8	1.8	1.8

DESCRIPTION

In general, direct administrative and support costs are allocated proportionately among all strategies on the basis of budget size for each fiscal year. This method was selected because the agency is small and labor-intensive, requiring all staff to perform some direct administrative duties.

7.B. Direct Administrative and Support Costs
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/20/2014
 TIME : 12:28:02PM

Agency code: 359

Agency name: Office of Public Insurance Counsel

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2-1-1					
Provide Consumers with Information to Make Informed Choices					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$6,453	\$11,654	\$13,490	\$15,271	\$15,271
2001 PROFESSIONAL FEES AND SERVICES	13,009	4,631	2,667	533	533
2005 TRAVEL	926	672	1,013	1,013	1,013
2009 OTHER OPERATING EXPENSE	55	3,488	3,275	3,627	3,627
Total, Objects of Expense	\$20,443	\$20,445	\$20,445	\$20,444	\$20,444
METHOD OF FINANCING:					
1 General Revenue Fund	20,443	20,445	20,445	20,444	20,444
Total, Method of Financing	\$20,443	\$20,445	\$20,445	\$20,444	\$20,444
FULL-TIME-EQUIVALENT POSITIONS (FTE):	0.2	0.2	0.2	0.2	0.2

DESCRIPTION

In general, direct administrative and support costs are allocated proportionately among all strategies on the basis of budget size for each fiscal year. This method was selected because the agency is small and labor-intensive, requiring all staff to perform some direct administrative duties.

7.B. Direct Administrative and Support Costs
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/20/2014
 TIME : 12:28:02PM

Agency code: 359

Agency name: Office of Public Insurance Counsel

	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$72,786	\$76,898	\$86,907	\$86,907	\$86,907
1002 OTHER PERSONNEL COSTS	\$4,241	\$5,459	\$3,989	\$3,989	\$3,989
2001 PROFESSIONAL FEES AND SERVICES	\$21,680	\$17,471	\$11,097	\$11,097	\$11,097
2003 CONSUMABLE SUPPLIES	\$399	\$372	\$213	\$213	\$213
2004 UTILITIES	\$342	\$287	\$352	\$352	\$352
2005 TRAVEL	\$926	\$672	\$1,013	\$1,013	\$1,013
2006 RENT - BUILDING	\$0	\$0	\$166	\$166	\$166
2007 RENT - MACHINE AND OTHER	\$904	\$778	\$804	\$804	\$804
2009 OTHER OPERATING EXPENSE	\$9,515	\$9,184	\$7,888	\$7,888	\$7,888
Total, Objects of Expense	\$110,793	\$111,121	\$112,429	\$112,429	\$112,429
Method of Financing					
1 General Revenue Fund	\$110,793	\$111,121	\$112,429	\$112,429	\$112,429
Total, Method of Financing	\$110,793	\$111,121	\$112,429	\$112,429	\$112,429
Full-Time-Equivalent Positions (FTE)	2.0	2.0	2.0	2.0	2.0