

**LEGISLATIVE APPROPRIATIONS REQUEST  
FOR FISCAL YEARS 2012 AND 2013**

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

**BY**

***OFFICE OF PUBLIC INSURANCE COUNSEL***



**AUGUST 2010**

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**AUGUST 2010**

**Submitted by:**

  
***Deeia Beck, Public Counsel***

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**ADMINISTRATOR'S STATEMENT**  
82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
TIME: 11:25:02AM  
PAGE: 1 of 1

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

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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).

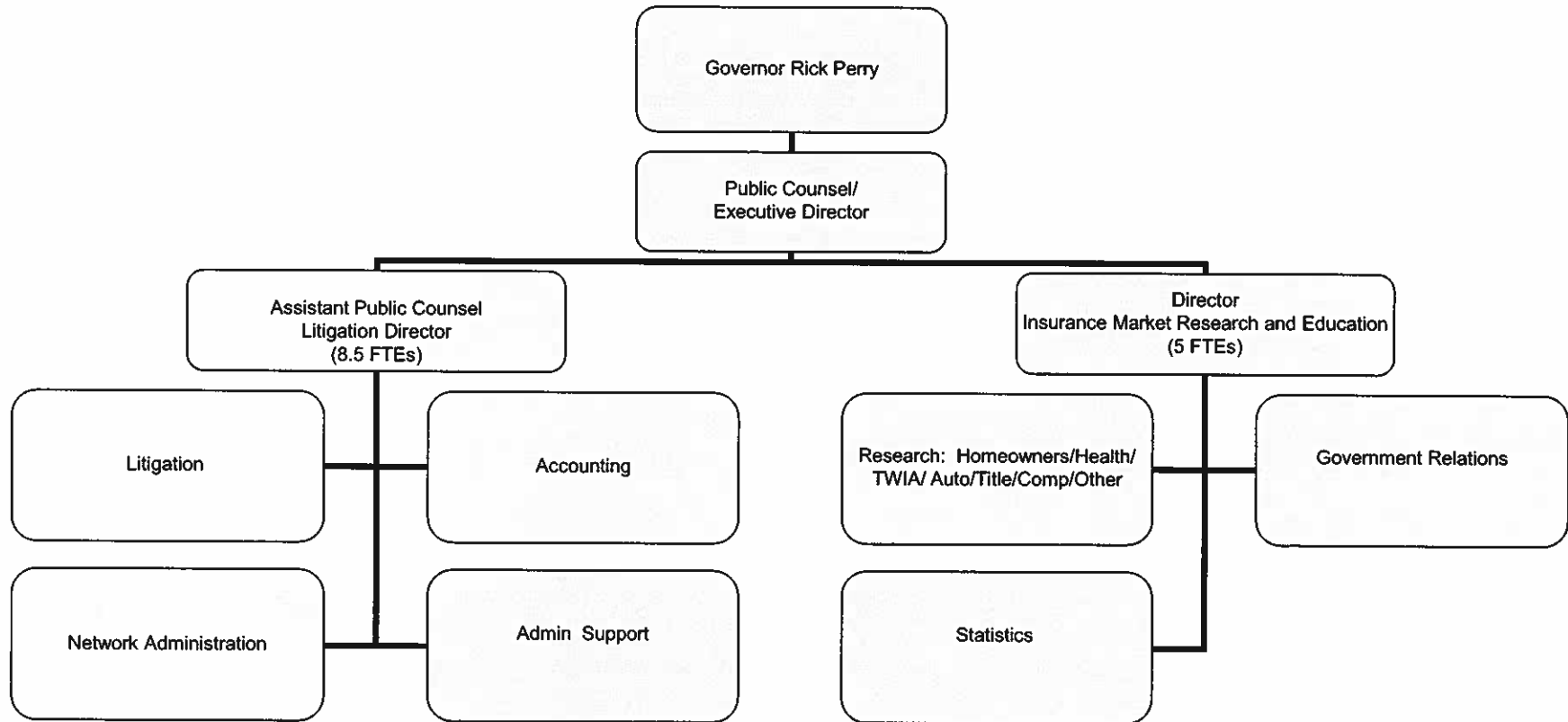
Section 501.252 directs the agency to annually develop an HMO consumer report card. Section 501.156 directs the agency to submit to TDI for adoption a consumer bill of rights appropriate to personal lines of insurance regulated by TDI. Bills of rights are designed to advise consumers of their rights 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 a contested evidentiary hearing requiring a high level of experience and qualification necessary to testify as an expert witness. In these cases, 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.

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.



# Office of Public Insurance Counsel



2.A. SUMMARY OF BASE REQUEST BY STRATEGY  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
 TIME: 11:27:14AM

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

Goal / Objective / STRATEGY	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
<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	980,631	991,528	976,418	976,418	976,418
TOTAL, GOAL 1	<b>\$980,631</b>	<b>\$991,528</b>	<b>\$976,418</b>	<b>\$976,418</b>	<b>\$976,418</b>
<u>2</u> Increase Consumer Choice-Educate Texas Insurance Consumers					
<u>1</u> Contact Insurance Consumers Regarding Insurance Coverage/Markets					
1 INSURANCE INFORMATION	87,675	76,560	91,670	91,670	91,670
TOTAL, GOAL 2	<b>\$87,675</b>	<b>\$76,560</b>	<b>\$91,670</b>	<b>\$91,670</b>	<b>\$91,670</b>
TOTAL, AGENCY STRATEGY REQUEST	<b>\$1,068,306</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	<b>\$1,068,306</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>
<u>METHOD OF FINANCING:</u>					
<b>General Revenue Funds:</b>					
1 General Revenue Fund	1,020,306	1,020,088	1,020,088	1,020,088	1,020,088
SUBTOTAL	<b>\$1,020,306</b>	<b>\$1,020,088</b>	<b>\$1,020,088</b>	<b>\$1,020,088</b>	<b>\$1,020,088</b>
<b>Other Funds:</b>					
777 Interagency Contracts	48,000	48,000	48,000	48,000	48,000
SUBTOTAL	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>
TOTAL, METHOD OF FINANCING	<b>\$1,068,306</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>

2.A. SUMMARY OF BASE REQUEST BY STRATEGY  
82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
TIME: 11:27:14AM

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

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Goal / Objective / STRATEGY	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
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\*Rider appropriations for the historical years are included in the strategy amounts.

**2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
 TIME: 11:28:11AM

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

METHOD OF FINANCING	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
<b><u>GENERAL REVENUE</u></b>					
<b><u>1</u> General Revenue Fund</b>					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2008-09 GAA)	\$996,726	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2010-11 GAA)	\$0	\$1,073,777	\$1,073,777	\$1,020,088	\$1,020,088
<i>TRANSFERS</i>					
Art IX, Sec 19.62(a), Salary Increase (2008-09 GAA)	\$26,937	\$0	\$0	\$0	\$0
HB 4586, Sec 89, Retention Payments	\$8,000	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Five Percent Reduction (2010-11 Biennium)	\$0	\$(53,689)	\$(53,689)	\$0	\$0
Lapsed Appropriations	\$(11,357)	\$0	\$0	\$0	\$0
<b>TOTAL, General Revenue Fund</b>	<b>\$1,020,306</b>	<b>\$1,020,088</b>	<b>\$1,020,088</b>	<b>\$1,020,088</b>	<b>\$1,020,088</b>
<b>TOTAL, ALL GENERAL REVENUE</b>	<b>\$1,020,306</b>	<b>\$1,020,088</b>	<b>\$1,020,088</b>	<b>\$1,020,088</b>	<b>\$1,020,088</b>



**2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
 TIME: 11:28:11AM

METHOD OF FINANCING	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
<b>Agency code: 359 Agency name: Office of Public Insurance Counsel</b>					
<b><u>OTHER FUNDS</u></b>					
<b><u>777</u> Interagency Contracts</b>					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriation from MOF Table (2012-13 GAA)	\$0	\$0	\$0	\$48,000	\$48,000
Regular Appropriations from MOF Table (2008-09 GAA)	\$48,000	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2010-11 GAA)	\$0	\$48,000	\$48,000	\$0	\$0
<b>TOTAL, Interagency Contracts</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>
<b>TOTAL, ALL OTHER FUNDS</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>
<b>GRAND TOTAL</b>	<b>\$1,068,306</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>
<b>FULL-TIME-EQUIVALENT POSITIONS</b>					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2008-09 GAA)	16.5	16.5	16.5	16.5	16.5
<i>UNAUTHORIZED NUMBER OVER (BELOW) CAP</i>					
Over (Below) Cap	(4.4)	(5.5)	0.0	0.0	0.0
<b>TOTAL, ADJUSTED FTES</b>	<b>12.1</b>	<b>11.0</b>	<b>16.5</b>	<b>16.5</b>	<b>16.5</b>

**2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**  
82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
TIME: 11:28:11AM

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

METHOD OF FINANCING	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
NUMBER OF 100% FEDERALLY FUNDED FTEs	0.0	0.0	0.0	0.0	0.0

**2.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE**  
 82nd Regular Session, Agency Submission, Version I  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
 TIME: 11:29:52AM

Agency code: 359	Agency name: Office of Public Insurance Counsel				
<b>OBJECT OF EXPENSE</b>	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>BL 2012</b>	<b>BL 2013</b>
1001 SALARIES AND WAGES	\$753,840	\$675,532	\$820,630	\$820,630	\$820,630
1002 OTHER PERSONNEL COSTS	\$68,071	\$40,920	\$39,733	\$39,733	\$39,733
2001 PROFESSIONAL FEES AND SERVICES	\$135,854	\$195,374	\$81,463	\$81,463	\$81,463
2003 CONSUMABLE SUPPLIES	\$11,152	\$16,441	\$16,441	\$16,441	\$16,441
2004 UTILITIES	\$437	\$2,238	\$2,238	\$2,238	\$2,238
2005 TRAVEL	\$7,779	\$9,500	\$9,500	\$9,500	\$9,500
2006 RENT - BUILDING	\$0	\$291	\$291	\$291	\$291
2007 RENT - MACHINE AND OTHER	\$11,826	\$8,169	\$8,169	\$8,169	\$8,169
2009 OTHER OPERATING EXPENSE	\$79,347	\$119,623	\$89,623	\$89,623	\$89,623
5000 CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>OOE Total (Excluding Riders)</b>	<b>\$1,068,306</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>
<b>OOE Total (Riders)</b>					
<b>Grand Total</b>	<b>\$1,068,306</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>

2.D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES

82nd Regular Session, Agency Submission, Version I  
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/25/2010  
 Time: 11:28:33AM

Agency code: 359

Agency name: Office of Public Insurance Counsel

Goal/ Objective / Outcome	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
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	100.00%	20.00%	60.00%	60.00%	60.00%
KEY 2 % of Rate and Rule Proceedings in Which OPIC Participated	80.00%	75.00%	75.00%	75.00%	75.00%
KEY 3 % of Rates and Rules Changed As a Result of OPIC Participation	88.54%	90.00%	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	38.95%	26.00%	30.00%	30.00%	32.00%
2 % Bills of Rights Submitted for Adoption within Established Timelines	500.00%	100.00%	100.00%	100.00%	100.00%

**2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY**  
 82nd Regular Session, Agency Submission, Version I  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/25/2010  
 TIME : 11:28:55AM

Agency code: 359	Agency name: Office of Public Insurance Counsel					
Goal/Objective/STRATEGY	Base 2012	Base 2013	Exceptional 2012	Exceptional 2013	Total Request 2012	Total Request 2013
<b>1 Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearing</b>						
1 <i>Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers</i>						
1 PARTICIPATE IN RATE/RULE HEARINGS	\$976,418	\$976,418	\$0	\$0	\$976,418	\$976,418
<b>TOTAL, GOAL 1</b>	<b>\$976,418</b>	<b>\$976,418</b>	<b>\$0</b>	<b>\$0</b>	<b>\$976,418</b>	<b>\$976,418</b>
<b>2 Increase Consumer Choice-Educate Texas Insurance Consumers</b>						
1 <i>Contact Insurance Consumers Regarding Insurance Coverage/Markets</i>						
1 INSURANCE INFORMATION	91,670	91,670	0	0	91,670	91,670
<b>TOTAL, GOAL 2</b>	<b>\$91,670</b>	<b>\$91,670</b>	<b>\$0</b>	<b>\$0</b>	<b>\$91,670</b>	<b>\$91,670</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST</b>						
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>

**2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/25/2010  
 TIME : 11:28:55AM

Agency code: 359      Agency name: Office of Public Insurance Counsel							
<b>Goal/Objective/STRATEGY</b>		<b>Base 2012</b>	<b>Base 2013</b>	<b>Exceptional 2012</b>	<b>Exceptional 2013</b>	<b>Total Request 2012</b>	<b>Total Request 2013</b>
<b>General Revenue Funds:</b>							
1	General Revenue Fund	\$1,020,088	\$1,020,088	\$0	\$0	\$1,020,088	\$1,020,088
		<b>\$1,020,088</b>	<b>\$1,020,088</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,020,088</b>	<b>\$1,020,088</b>
<b>Other Funds:</b>							
777	Interagency Contracts	48,000	48,000	0	0	48,000	48,000
		<b>\$48,000</b>	<b>\$48,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$48,000</b>	<b>\$48,000</b>
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>16.5</b>	<b>16.5</b>	<b>0.0</b>	<b>0.0</b>	<b>16.5</b>	<b>16.5</b>

**2.G. SUMMARY OF TOTAL REQUEST OBJECTIVE OUTCOMES**

82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/25/2010  
Time: 11:29:24AM

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

Goal/ Objective / Outcome

		BL 2012	BL 2013	Excp 2012	Excp 2013	Total Request 2012	Total Request 2013
1	Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings						
1	Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers						
	<b>1 Percentage of Rate Hearings in Which OPIC Participated</b>						
		60.00%	60.00%			60.00%	60.00%
<b>KEY</b>	<b>2 % of Rate and Rule Proceedings in Which OPIC Participated</b>						
		75.00%	75.00%			75.00%	75.00%
<b>KEY</b>	<b>3 % of Rates and Rules Changed As a Result of OPIC Participation</b>						
		90.00%	90.00%			90.00%	90.00%
2	Increase Consumer Choice-Educate Texas Insurance Consumers						
1	Contact Insurance Consumers Regarding Insurance Coverage/Markets						
<b>KEY</b>	<b>1 Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts</b>						
		30.00%	32.00%			30.00%	32.00%
	<b>2 % Bills of Rights Submitted for Adoption within Established Timelines</b>						
		100.00%	100.00%			100.00%	100.00%

**3.A. STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
 TIME: 11:30:10AM

Agency code: 359                      Agency name: **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 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Output Measures:</b>						
KEY 1	Number of Rate Hearings in Which OPIC Participated	6.00	1.00	3.00	3.00	3.00
KEY 2	Number of Rate Filings in Which OPIC Participated	40.00	31.00	32.00	32.00	32.00
KEY 3	Number of Rulemaking Proceedings in Which OPIC Participated	56.00	62.00	40.00	40.00	40.00
4	Number of Proposed Rules Analyzed	15.00	14.00	15.00	15.00	15.00
5	Number of Rate Filings Analyzed	9.00	11.00	10.00	10.00	10.00
<b>Efficiency Measures:</b>						
1	Average Cost per Rate Hearing in Which OPIC Participated	27,587.00	52,500.00	52,500.00	52,500.00	52,500.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$686,715	\$614,734	\$746,773	\$746,773	\$746,773
1002	OTHER PERSONNEL COSTS	\$68,071	\$40,920	\$39,733	\$39,733	\$39,733
2001	PROFESSIONAL FEES AND SERVICES	\$116,750	\$195,374	\$81,463	\$81,463	\$81,463
2003	CONSUMABLE SUPPLIES	\$10,706	\$13,144	\$13,144	\$13,144	\$13,144
2004	UTILITIES	\$437	\$1,573	\$1,573	\$1,573	\$1,573
2005	TRAVEL	\$7,779	\$9,500	\$4,750	\$4,750	\$4,750
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$11,826	\$7,426	\$7,426	\$7,426	\$7,426
2009	OTHER OPERATING EXPENSE	\$78,347	\$108,857	\$81,556	\$81,556	\$81,556
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$980,631</b>	<b>\$991,528</b>	<b>\$976,418</b>	<b>\$976,418</b>	<b>\$976,418</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$980,631	\$991,528	\$976,418	\$976,418	\$976,418
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$980,631</b>	<b>\$991,528</b>	<b>\$976,418</b>	<b>\$976,418</b>	<b>\$976,418</b>



**3.A. STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
 TIME: 11:30:10AM

Agency code: 359      Agency name: **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 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$976,418</b>	<b>\$976,418</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$980,631</b>	<b>\$991,528</b>	<b>\$976,418</b>	<b>\$976,418</b>	<b>\$976,418</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>10.1</b>	<b>9.0</b>	<b>14.5</b>	<b>14.5</b>	<b>14.5</b>

**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.

**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**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
 TIME: 11:30:10AM

Agency code: 359 Agency name: 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 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Output Measures:</b>						
	1 Number of Bills of Rights or Revisions Proposed	5.00	1.00	1.00	1.00	1.00
KEY 2	Number of Report Cards and Publications Produced & Distributed	1,246,890.00	1,200,000.00	850,000.00	850,000.00	850,000.00
KEY 3	# Public Presentations or Communications	111.00	150.00	100.00	100.00	100.00
<b>Efficiency Measures:</b>						
	1 Average Cost Per Consumer Reached through Agency Publications	0.01	0.04	0.02	0.02	0.02
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$67,125	\$60,798	\$73,857	\$73,857	\$73,857
1002	OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$0	\$0
2001	PROFESSIONAL FEES AND SERVICES	\$19,104	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$446	\$3,297	\$3,297	\$3,297	\$3,297
2004	UTILITIES	\$0	\$665	\$665	\$665	\$665
2005	TRAVEL	\$0	\$0	\$4,750	\$4,750	\$4,750
2006	RENT - BUILDING	\$0	\$291	\$291	\$291	\$291
2007	RENT - MACHINE AND OTHER	\$0	\$743	\$743	\$743	\$743
2009	OTHER OPERATING EXPENSE	\$1,000	\$10,766	\$8,067	\$8,067	\$8,067
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$87,675</b>	<b>\$76,560</b>	<b>\$91,670</b>	<b>\$91,670</b>	<b>\$91,670</b>
<b>Method of Financing:</b>						
	1 General Revenue Fund	\$39,675	\$28,560	\$43,670	\$43,670	\$43,670
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$39,675</b>	<b>\$28,560</b>	<b>\$43,670</b>	<b>\$43,670</b>	<b>\$43,670</b>

Method of Financing:

**3.A. STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version I  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
 TIME: 11:30:10AM

Agency code: 359                      Agency name: **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 2009	Est 2010	Bud 2011	BL 2012	BL 2013
777	Interagency Contracts	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$91,670</b>	<b>\$91,670</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$87,675</b>	<b>\$76,560</b>	<b>\$91,670</b>	<b>\$91,670</b>	<b>\$91,670</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The agency is directed by statute, Texas Insurance Code, Section 501.156 to submit to the Texas Department of Insurance a consumer bill of rights for each personal line of insurance and an annual HMO consumer report card, Section 501.252. This strategy supports 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.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The issuance of the statutorily mandated bills of rights varies yearly depending upon legislative or regulatory changes made. The issuance of the HMO report cards depends on the collection of data by the Texas Department of Insurance and the Texas Department of State Health Services.

**3.A. STRATEGY REQUEST**  
82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
TIME: 11:30:10AM

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**SUMMARY TOTALS:**

<b>OBJECTS OF EXPENSE:</b>	<b>\$1,068,306</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>
<b>METHODS OF FINANCE (INCLUDING RIDERS):</b>				<b>\$1,068,088</b>	<b>\$1,068,088</b>
<b>METHODS OF FINANCE (EXCLUDING RIDERS):</b>	<b>\$1,068,306</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>	<b>\$1,068,088</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>12.1</b>	<b>11.0</b>	<b>16.5</b>	<b>16.5</b>	<b>16.5</b>

**6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE**  
 82nd Regular Session, Agency Submission, Version I  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/25/2010  
 Time: 11:30:37AM

Agency Code: 359 Agency: Office of Public Insurance Counsel

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

**A. Fiscal Year 2008 - 2009 HUB Expenditure Information**

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2008			Total Expenditures FY 2008		% Goal	HUB Expenditures FY 2009			Total Expenditures FY 2009
			% Actual	Diff	Actual \$	% Actual	Diff		Actual \$			
33.0%	Other Services	33.0 %	77.3%	44.3%	\$25,435	\$32,909	33.0 %	80.0%	47.0%	\$26,512	\$33,151	
12.6%	Commodities	13.0 %	91.7%	78.7%	\$12,356	\$13,480	13.0 %	52.0%	39.0%	\$6,197	\$11,921	
	<b>Total Expenditures</b>		<b>81.5%</b>		<b>\$37,791</b>	<b>\$46,389</b>		<b>72.6%</b>		<b>\$32,709</b>	<b>\$45,072</b>	

**B. Assessment of Fiscal Year 2008 - 2009 Efforts to Meet HUB Procurement Goals**

**Attainment:**

The agency exceeded two of two, or 100% of the applicable statewide HUB procurement goals in FY 2008 and FY 2009.

**Applicability:**

The "Professional Services," "Heavy Construction," "Building Construction," and "Special Trade Construction" categories are not applicable to agency operations in either FY 2008 or FY 2009.

**Factors Affecting Attainment:**

Agency expenditures in the "Other Services" and "Commodities" categories exceeded applicable statewide HUB procurement goals in FY 2008 and FY 2009.

**"Good-Faith" Efforts:**

In addition to implementing the good faith efforts procedures, OPIC continues to make the following efforts:

- a minimum of three bids/quotes are sought from HUBs 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.B. Current Biennium One-time Expenditure Schedule

<b>Agency Code:</b> 359	<b>Agency Name:</b> Office of Public Insurance Counsel	<b>Prepared By:</b> Mark T Patterson		<b>Date:</b> 08/25/2010
Item	2010-2011		2012-2013	
	Amount	MOF	Amount	MOF
CPUs/Monitors/Software Upgrades	\$19,678	1		
Telephone System Upgrades	\$3,500	1		
Laptops	\$2,000	1	\$4,000	1

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

DATE: 8/25/2010

82nd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

TIME: 11:31:04AM

Agency Code: 359

Agency name: Office of Public Insurance Counsel

FUND/ACCOUNT	Act 2009	Exp 2010	Exp 2011	Bud 2012	Est 2013
<b>1 General Revenue Fund</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3205 Prop & Cas/Title/Other Assessment	2,120,213	2,343,122	2,343,122	2,343,122	2,343,122
Subtotal: Actual/Estimated Revenue	2,120,213	2,343,122	2,343,122	2,343,122	2,343,122
<b>Total Available</b>	<b>\$2,120,213</b>	<b>\$2,343,122</b>	<b>\$2,343,122</b>	<b>\$2,343,122</b>	<b>\$2,343,122</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(1,020,306)	(1,020,088)	(1,020,088)	(1,020,088)	(1,020,088)
State Retirement	(47,962)	(45,549)	(59,000)	(59,000)	(59,000)
OASI Match	(60,440)	(48,238)	(63,000)	(63,000)	(63,000)
Group Insurance	(77,075)	(70,982)	(92,000)	(92,000)	(92,000)
Benefit Replacement Pay	(4,364)	(3,081)	(3,081)	(3,081)	(3,081)
Salary Increase 2% (2008-09 GAA)	(26,937)	0	0	0	0
HB 4486, Sec 89, Retention Payments	(8,000)	0	0	0	0
<b>Total, Deductions</b>	<b>\$(1,245,084)</b>	<b>\$(1,187,938)</b>	<b>\$(1,237,169)</b>	<b>\$(1,237,169)</b>	<b>\$(1,237,169)</b>
<b>Ending Fund/Account Balance</b>	<b>\$875,129</b>	<b>\$1,155,184</b>	<b>\$1,105,953</b>	<b>\$1,105,953</b>	<b>\$1,105,953</b>

**REVENUE ASSUMPTIONS:**

**CONTACT PERSON:**

Mark Patterson

**6.1 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/25/2010  
 Time: 11:31:35AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
<b>1 Consumable Supplies</b>							
Category: Administrative - Operating Expenses							
Item Comment: The agency will reduce approximately \$5000 in GR expenses over FY 2012 and FY 2013 by reducing its purchases of supplies.							
Strategy: 1-1-1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$2,500	\$2,500	\$5,000	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$5,000</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$5,000</b>	

**FTE Reductions (From FY 2012 and FY 2013 Base Request)**

**2 Other Operating Expense**

Category: Administrative - Operating Expenses

Item Comment: The agency will reduce approximately \$30,000 in GR expenses over FY 2012 and FY 2013 by foregoing planned furniture and equipment replacement. The agency will also minimize its legal library relying on other online and publicly available sources.

Strategy: 1-1-1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$15,000	\$15,000	\$30,000	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$30,000</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$30,000</b>	

**FTE Reductions (From FY 2012 and FY 2013 Base Request)**

**3 Professional Fees and Services**

Category: Programs - Service Reductions (Contracted)

Item Comment: The agency will reduce approximately \$67,010 in GR expenses over FY 2012 and FY 2013 by reducing its planned expenditures for expert consulting witnesses for rate hearings and rate filing evaluation purposes.



**6.1 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/25/2010  
 Time: 11:31:35AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
Strategy: 1-1-1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$33,505	\$33,505	\$67,010	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,505</b>	<b>\$33,505</b>	<b>\$67,010</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,505</b>	<b>\$33,505</b>	<b>\$67,010</b>	
FTE Reductions (From FY 2012 and FY 2013 Base Request)							
<b>4 Consumable Supplies</b>							
Category: Administrative - Operating Expenses							
Item Comment: The agency will reduce approximately \$5000 in GR expenses over FY 2012 and FY 2013 by reducing its purchases of supplies.							
Strategy: 1-1-1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$2,500	\$2,500	\$5,000	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$5,000</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$5,000</b>	
FTE Reductions (From FY 2012 and FY 2013 Base Request)							
<b>5 Other Operating Expense</b>							
Category: Administrative - Operating Expenses							
Item Comment: The agency will reduce approximately \$30,000 in GR expenses over FY 2012 and FY 2013 by foregoing planned furniture and equipment replacement. The agency will also minimize its legal library relying on other online and publicly available sources.							
Strategy: 1-1-1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$15,000	\$15,000	\$30,000	

**6.1 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS**  
 82nd Regular Session, Agency Submission, Version I  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/25/2010  
 Time: 11:31:35AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
<b>General Revenue Funds Total</b>	\$0	\$0	\$0	\$15,000	\$15,000	\$30,000	
<b>Item Total</b>	\$0	\$0	\$0	\$15,000	\$15,000	\$30,000	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>							
<b>6 Professional Fees and Services</b>							
Category: Programs - Service Reductions (Contracted)							
Item Comment: The agency will reduce approximately \$67,010 in GR expenses over FY 2012 and FY 2013 by reducing its planned expenditures for expert consulting witnesses for rate hearings and rate filing evaluation phases.							
Strategy: 1-1-1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings							
<u>General Revenue Funds</u>							
I General Revenue Fund	\$0	\$0	\$0	\$33,504	\$33,504	\$67,008	
<b>General Revenue Funds Total</b>	\$0	\$0	\$0	\$33,504	\$33,504	\$67,008	
<b>Item Total</b>	\$0	\$0	\$0	\$33,504	\$33,504	\$67,008	
<b>FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>							
<b>AGENCY TOTALS</b>							
<b>General Revenue Total</b>				\$102,009	\$102,009	\$204,018	\$204,018
<b>Agency Grand Total</b>	\$0	\$0	\$0	\$102,009	\$102,009	\$204,018	
<b>Difference, Options Total Less Target</b>							
<b>Agency FTE Reductions (From FY 2012 and FY 2013 Base Request)</b>							

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
 TIME : 11:32:12AM

Agency code: 359

Agency name: Office of Public Insurance Counsel

Strategy	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>1-1-1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 17,919	\$ 23,843	\$ 23,843	\$ 23,843	\$ 23,843
1002 OTHER PERSONNEL COSTS	965	1,366	1,366	1,366	1,366
2001 PROFESSIONAL FEES AND SERVICES	193	3,120	3,120	3,120	3,120
2003 CONSUMABLE SUPPLIES	244	359	359	359	359
2004 UTILITIES	10	49	49	49	49
2009 OTHER OPERATING EXPENSE	1,733	1,957	1,957	1,957	1,957
5000 CAPITAL EXPENDITURES	0	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 21,064</b>	<b>\$ 30,694</b>	<b>\$ 30,694</b>	<b>\$ 30,694</b>	<b>\$ 30,694</b>
<b>METHOD OF FINANCING:</b>					
I General Revenue Fund	21,064	30,694	30,694	30,694	30,694
<b>Total, Method of Financing</b>	<b>\$ 21,064</b>	<b>\$ 30,694</b>	<b>\$ 30,694</b>	<b>\$ 30,694</b>	<b>\$ 30,694</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>

**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. The percentage range that applies to Strategy 1-1-1, Participate in Rate, Rulemaking, Judicial and Legislative Proceedings on Behalf of Texas Insurance Consumers, is 90%-92%. This method was selected because this agency is small and labor-intensive, requiring all staff to perform some indirect administrative duties.

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
 TIME : 11:32:12AM

Agency code: 359

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

Strategy	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>2-1-1 Provide Consumers with Information to Make Informed Choices</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 1,772	\$ 2,358	\$ 2,358	\$ 2,358	\$ 2,358
1002 OTHER PERSONNEL COSTS	95	135	135	135	135
2001 PROFESSIONAL FEES AND SERVICES	19	309	309	309	309
2003 CONSUMABLE SUPPLIES	24	36	36	36	36
2004 UTILITIES	1	5	5	5	5
2009 OTHER OPERATING EXPENSE	171	194	194	194	194
5000 CAPITAL EXPENDITURES	0	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 2,082</b>	<b>\$ 3,037</b>	<b>\$ 3,037</b>	<b>\$ 3,037</b>	<b>\$ 3,037</b>
<b>METHOD OF FINANCING:</b>					
1 General Revenue Fund	2,082	3,037	3,037	3,037	3,037
<b>Total, Method of Financing</b>	<b>\$ 2,082</b>	<b>\$ 3,037</b>	<b>\$ 3,037</b>	<b>\$ 3,037</b>	<b>\$ 3,037</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>

**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. The percentage range that applies to Strategy 2-1-1, Provide Consumers with Information to Make Informed Choices, is 8%-10%. This method was selected because this agency is small and labor-intensive, requiring all staff to perform some indirect administrative duties.

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
 TIME : 11:32:12AM

Agency code: **359**

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

	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>BL 2012</b>	<b>BL 2013</b>
<b>GRAND TOTALS</b>					
<b>Objects of Expense</b>					
1001 SALARIES AND WAGES	\$19,691	\$26,201	\$26,201	\$26,201	\$26,201
1002 OTHER PERSONNEL COSTS	\$1,060	\$1,501	\$1,501	\$1,501	\$1,501
2001 PROFESSIONAL FEES AND SERVICES	\$212	\$3,429	\$3,429	\$3,429	\$3,429
2003 CONSUMABLE SUPPLIES	\$268	\$395	\$395	\$395	\$395
2004 UTILITIES	\$11	\$54	\$54	\$54	\$54
2009 OTHER OPERATING EXPENSE	\$1,904	\$2,151	\$2,151	\$2,151	\$2,151
5000 CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>Total, Objects of Expense</b>	<b>\$23,146</b>	<b>\$33,731</b>	<b>\$33,731</b>	<b>\$33,731</b>	<b>\$33,731</b>
<b>Method of Financing</b>					
1 General Revenue Fund	\$23,146	\$33,731	\$33,731	\$33,731	\$33,731
<b>Total, Method of Financing</b>	<b>\$23,146</b>	<b>\$33,731</b>	<b>\$33,731</b>	<b>\$33,731</b>	<b>\$33,731</b>
<b>Full-Time-Equivalent Positions (FTE)</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

**7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
 TIME : 11:32:32AM

Agency code: 359

Agency name: Office of Public Insurance Counsel

Strategy	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>1-1-1</b>	<b>Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 71,677	\$ 95,373	\$ 95,373	\$ 95,373	\$ 95,373
1002 OTHER PERSONNEL COSTS	3,861	5,463	5,463	5,463	5,463
2001 PROFESSIONAL FEES AND SERVICES	772	12,482	12,482	12,482	12,482
2003 CONSUMABLE SUPPLIES	974	1,436	1,436	1,436	1,436
2004 UTILITIES	38	196	196	196	196
2009 OTHER OPERATING EXPENSE	6,932	7,829	7,829	7,829	7,829
5000 CAPITAL EXPENDITURES	0	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 84,254</b>	<b>\$ 122,779</b>	<b>\$ 122,779</b>	<b>\$ 122,779</b>	<b>\$ 122,779</b>
<b>METHOD OF FINANCING:</b>					
I General Revenue Fund	84,254	122,779	122,779	122,779	122,779
<b>Total, Method of Financing</b>	<b>\$ 84,254</b>	<b>\$ 122,779</b>	<b>\$ 122,779</b>	<b>\$ 122,779</b>	<b>\$ 122,779</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>

**DESCRIPTION**

In general, direct administrative and support costs are allocated proportionately among all strategies on the basis of budget size for each fiscal year. The percentage range that applies to Strategy 1-1-1, Participate in Rate, Rulemaking, Judicial and Legislative Proceedings on Behalf of Texas Insurance Consumers, is 90%-92%. This method was selected because this agency is small and labor-intensive, requiring all staff to perform some direct administrative duties.

**7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
 TIME : 11:32:32AM

Agency code: 359

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

Strategy	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>2-1-1</b>	<b>Provide Consumers with Information to Make Informed Choices</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 7,089	\$ 9,432	\$ 9,432	\$ 9,432	\$ 9,432
1002 OTHER PERSONNEL COSTS	382	540	540	540	540
2001 PROFESSIONAL FEES AND SERVICES	76	1,234	1,234	1,234	1,234
2003 CONSUMABLE SUPPLIES	96	142	142	142	142
2004 UTILITIES	4	19	19	19	19
2009 OTHER OPERATING EXPENSE	686	774	774	774	774
5000 CAPITAL EXPENDITURES	0	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 8,333</b>	<b>\$ 12,141</b>	<b>\$ 12,141</b>	<b>\$ 12,141</b>	<b>\$ 12,141</b>
<b>METHOD OF FINANCING:</b>					
1 General Revenue Fund	8,333	12,141	12,141	12,141	12,141
<b>Total, Method of Financing</b>	<b>\$ 8,333</b>	<b>\$ 12,141</b>	<b>\$ 12,141</b>	<b>\$ 12,141</b>	<b>\$ 12,141</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>

**DESCRIPTION**

In general, direct administrative and support costs are allocated proportionately among all strategies on the basis of budget size for each fiscal year. The percentage range that applies to Strategy 2-1-1, Provide Consumers with Information to Make Informed Choices, is 8%-10%. This method was selected because this agency is small and labor-intensive, requiring all staff to perform some direct administrative duties.

**7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 82nd Regular Session, Agency Submission, Version I  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2010  
 TIME: 11:32:32AM

Agency code: **359**

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

	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>BL 2012</b>	<b>BL 2013</b>
<b>GRAND TOTALS</b>					
<b>Objects of Expense</b>					
1001 SALARIES AND WAGES	\$78,766	\$104,805	\$104,805	\$104,805	\$104,805
1002 OTHER PERSONNEL COSTS	\$4,243	\$6,003	\$6,003	\$6,003	\$6,003
2001 PROFESSIONAL FEES AND SERVICES	\$848	\$13,716	\$13,716	\$13,716	\$13,716
2003 CONSUMABLE SUPPLIES	\$1,070	\$1,578	\$1,578	\$1,578	\$1,578
2004 UTILITIES	\$42	\$215	\$215	\$215	\$215
2009 OTHER OPERATING EXPENSE	\$7,618	\$8,603	\$8,603	\$8,603	\$8,603
5000 CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>Total, Objects of Expense</b>	<b>\$92,587</b>	<b>\$134,920</b>	<b>\$134,920</b>	<b>\$134,920</b>	<b>\$134,920</b>
<b>Method of Financing</b>					
I General Revenue Fund	\$92,587	\$134,920	\$134,920	\$134,920	\$134,920
<b>Total, Method of Financing</b>	<b>\$92,587</b>	<b>\$134,920</b>	<b>\$134,920</b>	<b>\$134,920</b>	<b>\$134,920</b>
<b>Full-Time-Equivalent Positions (FTE)</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>