

**Office of Public Insurance Counsel  
Summary of Recommendations - House**

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Joe Matetich, Deputy Public Counsel

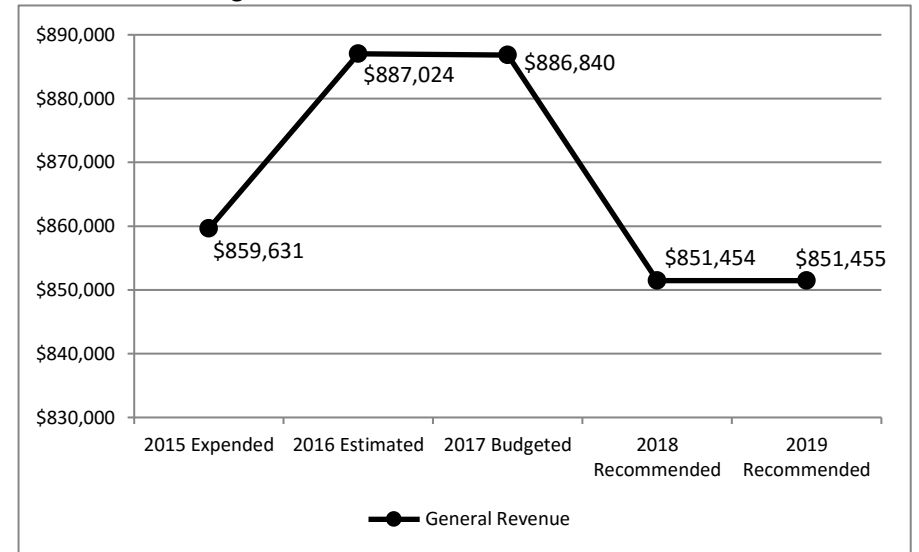
Caitlin Perdue, LBB Analyst

<b>Method of Financing</b>	<b>2016-17 Base</b>	<b>2018-19 Recommended</b>	<b>Biennial Change (\$)</b>	<b>Biennial Change (%)</b>
General Revenue Funds	\$1,773,864	\$1,702,909	(\$70,955)	(4.0%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$1,773,864</i>	<i>\$1,702,909</i>	<i>(\$70,955)</i>	<i>(4.0%)</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$383,340	\$383,340	\$0	0.0%
<b>All Funds</b>	<b>\$2,157,204</b>	<b>\$2,086,249</b>	<b>(\$70,955)</b>	<b>(3.3%)</b>

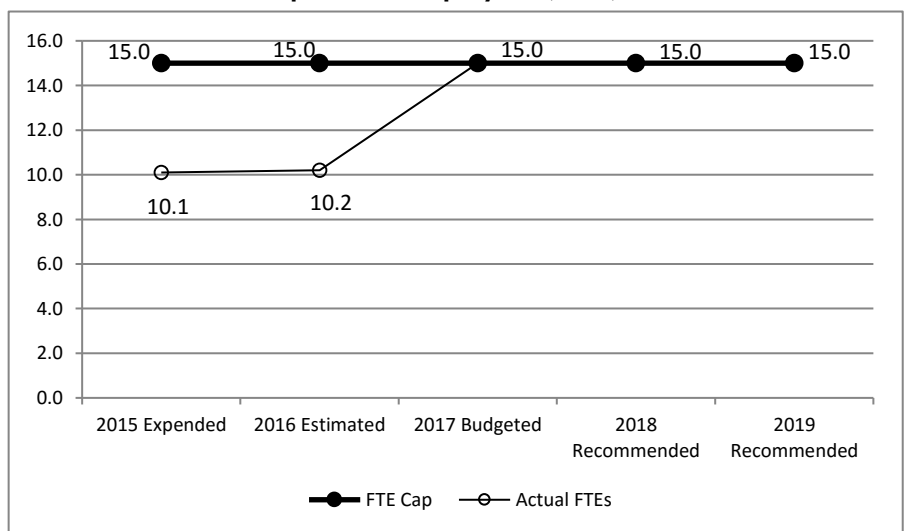
	<b>FY 2017 Budgeted</b>	<b>FY 2019 Recommended</b>	<b>Biennial Change</b>	<b>Percent Change</b>
FTEs	15.0	15.0	0.0	0.0%

The bill pattern for this agency (2018-19 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2018-19 biennium.

**Historical Funding Levels**



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



**Office of Public Insurance Counsel  
Summary of Funding Changes and Recommendations - House**

<b>Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level</b>		<b>General Revenue</b>	<b>GR-Dedicated</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>All Funds</b>	<b>Strategy in Appendix A</b>
<b><i>Funding Changes and Recommendations</i></b>							
A)	Decrease in actuary expert testimony funding, pursuant to the four percent reduction.	(\$70,955)	\$0	\$0	\$0	(\$70,955)	A.1.1
<b>TOTAL Funding Changes and Recommendations</b>		<b>(\$70,955)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$70,955)</b>	<b>A.1.1</b>
<i>Funding Increases</i>		\$0	\$0	\$0	\$0	\$0	
<i>Funding Decreases</i>		(\$70,955)	\$0	\$0	\$0	(\$70,955)	A.1.1

**Office of Public Insurance Counsel  
Selected Fiscal and Policy Issues - House**

1. **Four Percent Reduction.** The Office of Public Insurance Counsel represents Texas consumers on insurance rate and rule proceedings. Funding for actuaries who provide expert testimony at insurance rate proceedings is decreased pursuant to the agency's four percent reduction. The agency reports that the number of rate proceeding each year is variable. If more than one rate proceeding occurs in one year, then staff will be reduced to fully participate in the proceeding.

**Office of Public Insurance Counsel  
FTE Highlights - House**

<b>Full-Time-Equivalent Positions</b>	<b>Expended 2015</b>	<b>Estimated 2016</b>	<b>Budgeted 2017</b>	<b>Recommended 2018</b>	<b>Recommended 2019</b>
Cap	15.0	15.0	15.0	15.0	15.0
Actual/Budgeted	10.1	10.2	15.0	NA	NA

<b>Schedule of Exempt Positions (Cap)</b>					
Public Counsel, Group 4	\$115,353	\$137,734	\$137,734	\$137,734	\$137,734

Notes:

a) Office of Public Insurance Counsel uses contract services to save costs on retaining additional staff within the agency, which allows the agency to remain below the FTE cap at an actual FTE level of approximately 10 FTEs. Starting in fiscal year 2017, OPIC anticipates filling two current vacancies to meet increasing public outreach demands. In order to provide the agency flexibility in hiring additional full-time or part-time staff, recommendations include maintaining an FTE cap of 15.0 FTEs for the 2018-19 biennium.

**Office of Public Insurance Counsel  
Items Not Included in Recommendations - House**

		2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
		GR & GR-D	All Funds	FTEs			
<b>Agency Exceptional Items - In Agency Priority Order</b>							
1)	Funding for actuaries who provide expert testimony at insurance rate proceedings included in the agency's four percent reduction.	\$70,955	\$70,955	0.0	No	Yes	\$70,955
<b>TOTAL Items Not Included in Recommendations</b>		<b>\$70,955</b>	<b>\$70,955</b>	<b>0.0</b>			<b>\$70,955</b>

**Office of Public Insurance Counsel  
 Appendices - House**

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

\*\* Information is included in the presentation section of the packet

**Office of Public Insurance Counsel  
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
PARTICIPATE IN RATE/RULE HEARINGS A.1.1	\$1,773,864	\$1,702,909	(\$70,955)	(4.0%)	Decrease in General Revenue for actuaries who provide expert testimony at insurance rate proceedings pursuant to the four percent reduction.
<b>Total, Goal A, ADVOCATE FOR INSURANCE CONSUMERS</b>	<b>\$1,773,864</b>	<b>\$1,702,909</b>	<b>(\$70,955)</b>	<b>(4.0%)</b>	
INSURANCE INFORMATION B.1.1	\$383,340	\$383,340	\$0	0.0%	
<b>Total, Goal B, INCREASE CONSUMER CHOICE</b>	<b>\$383,340</b>	<b>\$383,340</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Grand Total, All Strategies</b>	<b>\$2,157,204</b>	<b>\$2,086,249</b>	<b>(\$70,955)</b>	<b>(3.3%)</b>	

**Office of Public Insurance Counsel  
Summary of Ten Percent Biennial Base Reduction Options - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
1)	Forgo Salaries Increases/Eliminate FTEs	The reduction would be achieved by forgoing salary increases and/or eliminating FTEs.	\$85,145	\$85,145	1.0	\$0	5%	N
2)	Forgo Salaries Increases/Eliminate FTEs	The reduction would be achieved by forgoing salary increases and/or eliminating FTEs.	\$85,146	\$85,146	1.0	\$0	5%	N
<b>TOTAL, 10% Reduction Options</b>			<b>\$170,291</b>	<b>\$170,291</b>	<b>2.0</b>	<b>\$0</b>		