

**Office of Injured Employee Counsel
Summary of Recommendations - House**

Section 1

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Jessica Corna, Public Counsel

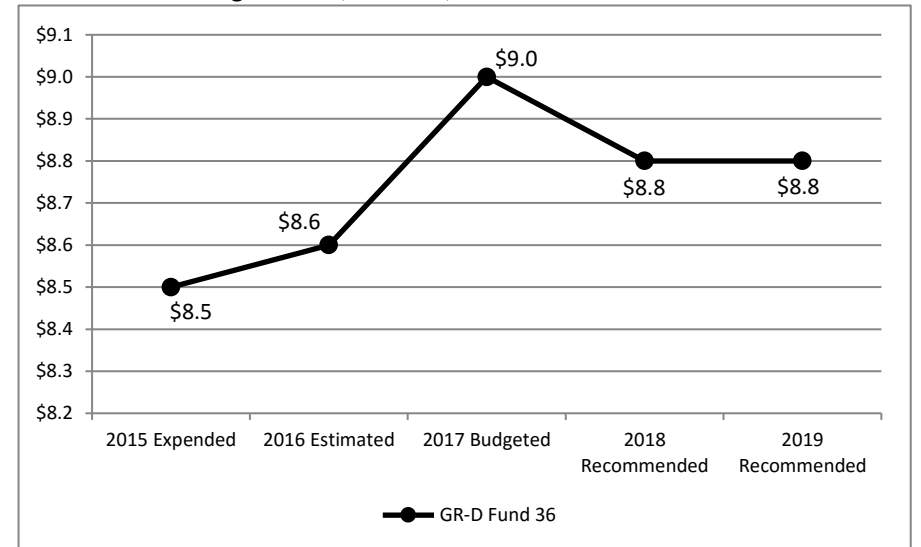
Caitlin Perdue, LBB Analyst

Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$0	\$0	\$0	0.0%
GR Dedicated Funds	\$17,636,722	\$17,636,722	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$17,636,722</i>	<i>\$17,636,722</i>	<i>\$0</i>	<i>0.0%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$0	\$0	\$0	0.0%
All Funds	\$17,636,722	\$17,636,722	\$0	0.0%

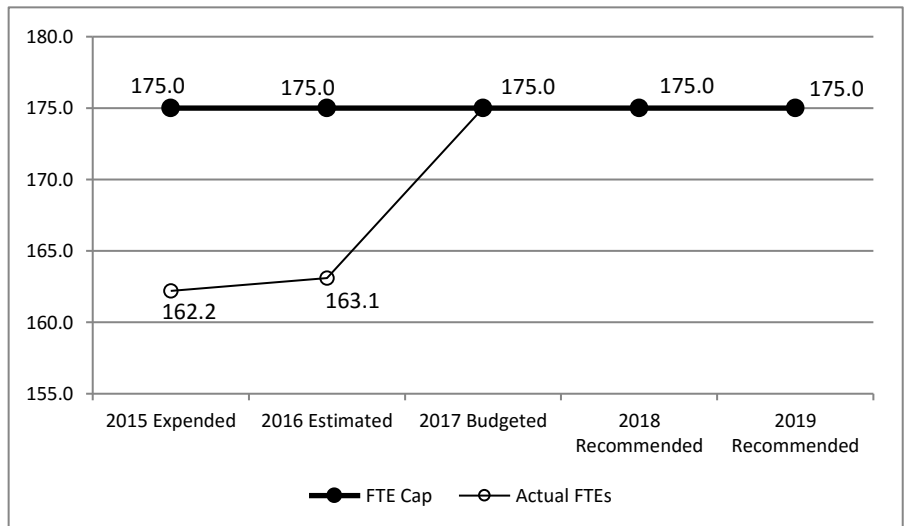
	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	175.0	175.0	0.0	0.0%

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 (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Office of Injured Employee Counsel
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>Funding Changes and Recommendations</i>							
A)	Funding for two FTE positions from the Ombudsman program allocated to other programs.	\$0	(\$80,780)	\$0	\$0	(\$80,780)	A.1.1
B)	Funding for 1) a salary of \$43,720 for one FTE allocated to the Customer Service program and 2) a salary of \$37,060 for one FTE allocated to the Legal Services program.	\$0	\$80,780	\$0	\$0	\$80,780	B.1.1, C.1.1
TOTAL Funding Changes and Recommendations		\$0	\$0	\$0	\$0	\$0	
<i>Funding Increases</i>		\$0	\$80,780	\$0	\$0	\$80,780	As Listed
<i>Funding Decreases</i>		\$0	(\$80,780)	\$0	\$0	(\$80,780)	As Listed

**Office of Injured Employee Counsel
Selected Fiscal and Policy Issues - House**

1. **Administrative Attachment and Self-Leveling Funding.** The Office of Injured Employee Counsel (OIEC) advocates on behalf of injured employees in the workers' compensation system. Pursuant to Texas Labor Code, Chapter 404, OIEC is administratively attached to the Texas Department of Insurance (TDI), which provides administrative assistance and services, personnel services, and computer equipment and support. OIEC is funded entirely from the TDI's Operating Fund 36 and the workers' compensation maintenance taxes. Pursuant to Texas Insurance Code, Subtitle C, TDI is required by statute to adjust taxes and fees to generate revenue equivalent to its appropriations and the appropriations made to OIEC. Pursuant to HB 6 (84R), GR-D Fund 36 was not subject to the Comptroller of Public Accounts' certification of the GAA in the 2016-17 biennium. As a result, the agency was not required to submit a four percent reduction in its base request or a 10 percent reduction schedule in its Legislative Appropriations Request.
2. **Lease Payments.** TDI-Division of Workers' Compensation and OIEC share field offices across the state to assist injured employees. The majority of the TDI/OIEC field office leases will be up for renewal by the end of 2019 and TDI anticipates the cost of rent will increase. The allocated amount in Rider 16, Medical Fee Disputes, in TDI's bill pattern has been reduced from \$2,100,000 to \$1,500,000 to reflect current projections for the cost of medical dispute appeals and medical quality review cases. This savings of \$600,000 in TDI's bill pattern has been reallocated to supplement the cost of increased rent at the field offices. As a part of OIEC's administrative attachment, TDI absorbs the rent costs within its budget, and as a result, OIEC will not have any impacts in its budget. Rider 3 in OIEC's bill pattern outlines amounts for the agency's administrative attachment. The rider amount increased from \$725,000 to \$875,000 for the increased rent costs. (See Rider Highlights #3)

**Office of Injured Employee Counsel
Rider Highlights - House**

Modification of Existing Riders

3. **Administrative Attachment Budget.** Revised to delete quarterly reporting requirement to the Legislative Budget Board (LBB) on actual expenditures, but continues the requirement that OIEC may not exceed projected expenditures by more than ten percent without prior written approval from the LBB. In December 2015, OIEC entered into a memorandum of understanding with TDI on the roles and responsibilities for administrative assistance and services. The amount allocated in the rider for OIEC administrative attachment costs increased to \$875,000 each year in the 2018-19 biennium due to increasing rent costs. (See Selected Fiscal and Policy Issue #2 and Items Not Included in Recommendations #1)

Office of Injured Employee 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			
Agency Exceptional Items - In Agency Priority Order							
1)	Request to delete the Administrative Attachment Budget rider. (See Rider Highlights #3)	\$0	\$0	0.0	NA	NA	\$0
TOTAL Items Not Included in Recommendations		\$0	\$0	0.0			\$0

**Office of Injured Employee Counsel
Appendices - House**

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* Appendix is not included - no significant information to report

Office of Injured Employee Counsel
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
OMBUDSMAN PROGRAM A.1.1	\$10,896,012	\$10,815,232	(\$80,780)	(0.7%)	Reallocation of funding from the Ombudsman program in Strategy A.1.1. to the Customer Service and Legal Services programs in Strategies B.1.1. and C.1.1. The agency states that two vacant positions will be filled in those strategies.
Total, Goal A, OMBUDSMAN PROGRAM	\$10,896,012	\$10,815,232	(\$80,780)	(0.7%)	
RIGHTS RESPONSIBILITIES & REFERRAL B.1.1	\$3,573,506	\$3,617,226	\$43,720	1.2%	
Total, Goal B, EDUCATION AND REFERRAL	\$3,573,506	\$3,617,226	\$43,720	1.2%	
ADVOCATE FOR INJURED EMPLOYEES C.1.1	\$3,167,204	\$3,204,264	\$37,060	1.2%	
Total, Goal C, ADVOCATE FOR INJURED EMPLOYEES	\$3,167,204	\$3,204,264	\$37,060	1.2%	
Grand Total, All Strategies	\$17,636,722	\$17,636,722	\$0	0.0%	

**Office of Injured Employee Counsel
Performance Measure Highlights - House**

Appendix D

	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
(KEY) Percentage of Adopted Workers' Compensation Rules Analyzed Measure Explanation: This outcome measure changed from non-key to key. This measure reflects the percentage of adopted workers' compensation rules analyzed by OIEC to determine if they affect injured employees as a class.	100%	100%	100%	100%	100%
(KEY) Number of Assists a Regional Staff Attorney Provides to an Ombudsman Measure Explanation: This output measure changed from non-key to key. This measure reflects the assistance Regional Staff Attorneys provide the Ombudsmen when seeking legal consultation or analysis on a workers' compensation law or claim.	2	3	3	3	3
Number of Advocacy Training Sessions Held for Ombudsmen by Regional Staff Attorneys Measure Explanation: This is a new explanatory measure that tracks the number of training and observation sessions on skills development, mock hearings, and legal issues that Regional Staff Attorneys provide for Ombudsmen.	NA	NA	NA	100	100

Office of Injured Employee Counsel
Summary of Ten Percent Biennial Base Reduction Options - House

Appendix E

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)	Eliminate 10 Employees and Reduce Paid Hours for 2 Employees	Twelve FTE positions would be affected for the first 5% reduction, including 1) the elimination of one Program Supervisor, one Training Specialist, and eight Customer Service Representatives; and 2) one Ombudsman and one Training Specialist would become part-time positions or asked to take unpaid leave.	\$846,563	\$846,563	10.8	\$0	6%	N
2)	Eliminate 6 Employees and Reduce Paid Hours for 1 Employee	Seven FTE positions would be affected for the second 5% reduction, including 1) the elimination of one Legal Assistant and five Attorneys; and 2) one Training Specialist would become a part-time position or asked to take unpaid leave.	\$846,563	\$846,563	6.8	\$0	7%	N
TOTAL, 10% Reduction Options			\$1,693,126	\$1,693,126	17.6	\$0		

Notes:
a) Pursuant to HB 6 (84R), GR-D Fund 36 was not subject to the Comptroller of Public Accounts' certification of the GAA in the 2016-17 biennium. As a result, the agency was not required to submit a 10 percent reduction schedule in its Legislative Appropriation Request. Above is an alternative 10 percent reduction schedule provided by OIEC.