

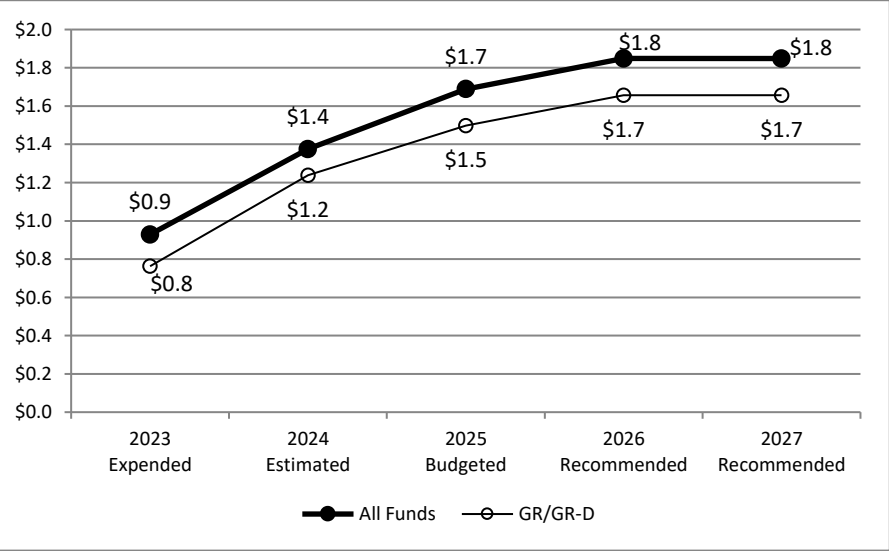
**Office of Public Insurance Counsel
Summary of Budget Recommendations - House**

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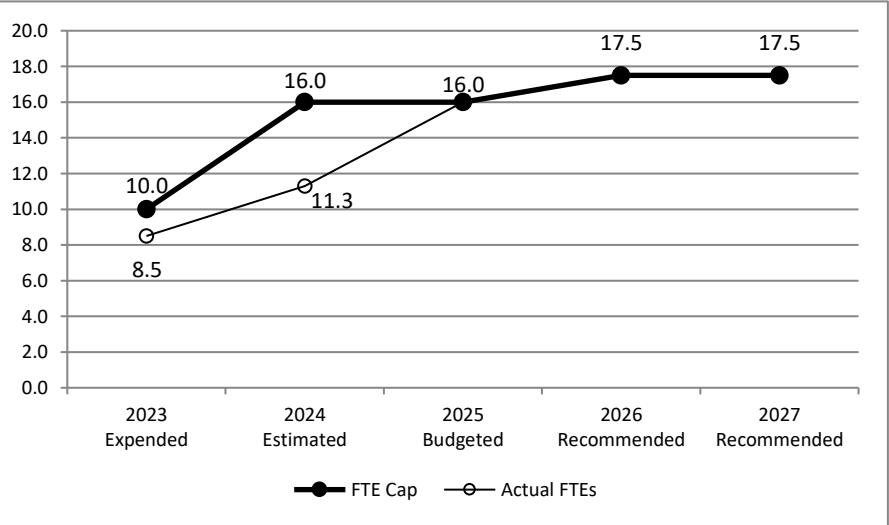
Method of Financing	2024-25 Base	2026-27 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$2,735,453	\$3,313,513	\$578,060	21.1%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$2,735,453</i>	<i>\$3,313,513</i>	<i>\$578,060</i>	<i>21.1%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$328,215	\$383,340	\$55,125	16.8%
All Funds	\$3,063,668	\$3,696,853	\$633,185	20.7%

	FY 2025 Budgeted	FY 2027 Recommended	Biennial Change	Percent Change
FTEs	16.0	17.5	1.5	9.4%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2026-27 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2026-27 biennium.

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

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Increase of General Revenue for administration of the newly transferred Certificate of Public Advantage Program.	\$400,000	\$0	\$0	\$0	\$400,000	C.1.1
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OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):

B)	Increase in funding to biennialize the statewide salary adjustments included in the 2024-25 appropriations.	\$68,762	\$0	\$0	\$0	\$68,762	A.1.1, B.1.1
C)	Increase of General Revenue for restoration of lapsed salary funds due to vacant positions in the 2024-2025 biennium in order to maintain funding for agency staff at the 2024-2025 appropriated level.	\$223,520	\$0	\$0	\$0	\$223,520	A.1.1
D)	Decrease of General Revenue for one-time funding for the development of a Policy Comparison Tool.	(\$114,222)	\$0	\$0	\$0	(\$114,222)	A.1.1, B.1.1
E)	Increase of Interagency Contracts for restoration of lapsed contract funds in order to maintain funding for the agency at the 2024-2025 appropriated level.	\$0	\$0	\$0	\$55,125	\$55,125	B.1.1

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations	\$578,060	\$0	\$0	\$55,125	\$633,185	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$692,282	\$0	\$0	\$55,125	\$747,407	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	(\$114,222)	\$0	\$0	\$0	(\$114,222)	As Listed

NOTE: Totals may not sum due to rounding.

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

1. **Transfer of the Certificate of Public Advantage (COPA) Program.** In August 2024, the COPA Program was transferred to the agency by order of the governor from the Health and Human Services Commission (HHSC) as administration of the program by HHSC created obstacles due to potential conflict of interest. The COPA Program oversees and administers certificates that immunize hospital mergers from anti-trust laws. There are currently two hospitals in Texas that participate in this program.

Included in recommendations is the agency's request for \$400,000 in General Revenue funding and authority for 1.5 additional full-time equivalent positions to operate the program for the 2026-2027 biennium. The agency has also been authorized to collect the fee revenue generated by the program, which is estimated to be \$400,000 each fiscal year deposited to the credit of the General Revenue fund.

Additionally, when the program was transferred, the agency received \$300,000 in an Interagency Contract from HHSC to administer the program for fiscal year 2025. Included in Recommendations is the agency's request for unexpended balance authority between biennia for these interagency contract funds, as the agency has expressed concerns with determining the cost to run the program and being able to properly utilize the funds before the end of the biennium.

Not included in recommendations is \$400,000 in General Revenue for the agency to contract with third parties to conduct data analysis for the program.

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

New Riders

1. **Unexpended Balance Authority Within the Biennium.** Recommendations include an agency request for unexpended balance authority for all appropriations within the biennium as the agency has historically experienced lapses in the first year of the biennium due to vacant positions.
2. **Unexpended Balance Authority for COPA Transfer Funds.** Recommendations include an agency request for unexpended balance authority between fiscal year 2025 and 2026 for the interagency contract funds (\$300,000) received for the operation of the Certificate of Public Advantage Program from the Health and Human Services Commission.

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

	2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	Restoration of General Revenue funding that was removed during the GR-Limit calculation as one-time funding for the Policy Comparison Tool.	\$114,222	\$114,222	0.0	No	No	\$14,222
2)	General Revenue funding to provide salary increases for actuarial, legal, and form review staff.	\$115,690	\$115,690	0.0	No	No	\$160,406
3)	General Revenue funding to contract with third-party services to assist with implementing the Certificate of Public Advantage Program.	\$400,000	\$400,000	0.0	No	Yes	\$400,000
4)	General Revenue funding with authority for an additional 0.5 full-time equivalent position for an additional attorney position.	\$132,083	\$132,083	0.5	Yes	No	\$132,083
5)	General Revenue funding to provide a salary supplement to the Deputy Public Counsel vacant position in an effort to attract more candidates to the job posting.	\$61,711	\$61,711	0.0	No	No	\$68,878
6)	General Revenue funding with authority for an additional 1.0 full-time equivalent position for an Information Specialist III, specializing in communications and technological support.	\$163,181	\$163,181	1.0	Yes	No	\$166,998
7)	General Revenue funding to cover increased costs to Health Professions Council membership following IT upgrades included in recommendations.	\$8,804	\$8,804	0.0	No	Yes	\$8,804

TOTAL Items Not Included in Recommendations		\$995,691	\$995,691	1.5			\$951,391
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**Office of Public Insurance Counsel
Appendices - House**

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* Appendix is not included - no significant information to report

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

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
PARTICIPATE IN RATES/RULES/FORMS A.1.1	\$2,611,720	\$2,771,639	\$159,919	6.1%	Recommendations include an increase of \$223,520 in General Revenue for the restoration of lapsed funding due to vacant positions to maintain funding for agency salaries at the 2024-2025 appropriated level.
Total, Goal A, REPRESENT TX INSURANCE CONSUMERS	\$2,611,720	\$2,771,639	\$159,919	6.1%	
INSURANCE INFORMATION B.1.1	\$451,948	\$525,214	\$73,266	16.2%	Recommendations include an increase of \$55,125 in Interagency Contracts to restore funds that were lapsed in fiscal year 2024 but are expected to be fully expended in fiscal year 2026-2027.
Total, Goal B, INCREASE CONSUMER CHOICE	\$451,948	\$525,214	\$73,266	16.2%	
COPA Program C.1.1	\$0	\$400,000	\$400,000	100.0%	Recommendations include an increase of \$400,000 in General Revenue for the transfer of the Certificate of Public Advantage Program.
Total, Goal C, COPA PROGRAM	\$0	\$400,000	\$400,000	100.0%	
Grand Total, All Strategies	\$3,063,668	\$3,696,853	\$633,185	20.7%	Recommendations include the following: - Increase of \$68,762 of General Revenue to biennialize the statewide salary adjustments. - Decrease of \$114,222 in General Revenue for the removal of one-time funding related to the development of a Policy Comparison Tool.

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

Full-Time-Equivalent Positions	Expended 2023	Estimated 2024	Budgeted 2025	Recommended 2026	Recommended 2027
Cap	10.0	16.0	16.0	17.5	17.5
Actual/Budgeted	8.5	11.3	16.0	NA	NA

Schedule of Exempt Positions					
Public Counsel, Group 4	\$149,976	\$155,119	\$160,262	\$160,262	\$160,262

Note:

The State Auditor's Office Report, Executive Compensation at State Agencies (Report 25-702, October 2024), indicates a market average salary of \$160,262 for the Public Counsel position at the Office of Public Insurance Counsel. The agency is not requesting any changes to the exempt position salary.