

**LEGISLATIVE APPROPRIATIONS REQUEST
FOR FISCAL YEARS 2026 AND 2027**

**SUBMITTED TO THE
OFFICE OF THE GOVERNOR, BUDGET AND POLICY DIVISION,
AND THE LEGISLATIVE BUDGET BOARD**

BY



OFFICE OF PUBLIC INSURANCE COUNSEL

AUGUST 25, 2024

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Administrator's Statement

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DUTIES AND FUNDING STRUCTURE

The Texas Legislature established the Office of Public Insurance Counsel (OPIC) in 1991 and codified the agency's duties, structure, and method of funding in Chapter 501 of the Texas Insurance Code. Additionally, on August 14, 2024, Governor Abbott designated OPIC as the appropriate state agency to review applications for Certificate of Public Advantage (COPAs), and to supervise the activities for which those certificates are issued under Chapter 314A of the Texas Health & Safety Code.

OPIC's enabling statute provides the majority of the funding for the agency. The agency is funded by a statutorily set assessment of 5.7 cents on certain insurance policies. OPIC will receive approximately 45%, or \$1,496,838 of this assessment in FY 25. The remaining \$1,166,838 will go to the State's General Revenue Fund 1.

The agency also receives approximately \$191,670 from the Texas Department of Insurance (TDI) via an interagency contract. This funding comes from maintenance taxes levied on insurers writing in the state and appropriated to TDI. Together, the statutorily set assessment and maintenance taxes provide OPIC an annual operating budget for FY 25 of \$1,688,508.

The agency will receive \$300,000 from the Health and Human Services Commission in FY 2025 to perform its duties under Chapter 314A of the Texas Health & Safety Code. For FY 2026 and 2027, the agency will need to have a rider for the appropriation of approximately \$200,000 per fiscal year of receipts from certificates of public advantage fees under the COPA program.

The agency currently has a Full Time Equivalent (FTE) cap of sixteen. One or more FTE slots will need to be added for the COPA program. Twelve of the FTE slots are filled and OPIC is actively seeking to fill the vacant FTE slots as necessary (although this has been a challenge for the agency). The vacant FTEs were (1) to increase staffing for form review and (2) to staff a reworking of OPIC functions including the Policy Comparison Tool (PCT). The actual form load has not yet made it necessary to add FTEs, and the reworking of the PCT has not progressed to the point where additional personnel are necessary. OPIC has, therefore, left those spots open, which has helped generate an unexpended balance.

Chapter 501 charges OPIC with representing the interests of Texas consumers in insurance matters. OPIC fulfills this duty by representing the interests of consumers before TDI on regulatory matters that relate to insurance rates, rules, and policy forms. This requires OPIC subject-matter experts to review, analyze, and participate in over a thousand rate and form filings each year, and to communicate with TDI and individual insurers about potentially problematic aspects of those filings. Examples of issues OPIC raises include noncompliance with disclosure requirements, policy form provisions that violate state law, reductions in coverage, and excessive, unsupported, or discriminatory rates. When necessary and prudent, the agency also 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.

Health & Safety Code Chapter 314A provides for the review of applications, the granting of certificates of public advantage, and the review and supervision of merged hospitals relating to the antitrust immunity granted by the chapter. OPIC has not yet had significant experience with those responsibilities.

Each year, the agency fulfills and exceeds, the statutory goals set for it by the Texas Legislature, saving consumers far more money than it is appropriated from its statute and its contract with TDI. In Fiscal Year (FY) 2021, OPIC saved Texas consumers \$5,992,808 due to interventions in personal automobile and residential property insurance rate filings. That means for every \$1 OPIC received in funding, the agency saved Texans \$6. In FY 2022, OPIC saved consumers \$18,984,904 – a savings of almost \$19 per \$1 in funding. However, the amount of savings OPIC is able to produce depends on the number and nature of rate filings to a large degree. In FY 2023 and 2024, the financial situation (driven by costs) in Texas and the rest of the nation was more negative for insurers, and rate filings were much more likely to have the numbers to back

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high positive rate indications. As a result, FY 2023 savings were \$14,798,382, still a very healthy return of almost \$14.80 for every dollar invested by the state in OPIC. FY 2024 savings are only \$2,124,232 as of 8/19/2024 - still a positive return. Based on filings currently in progress, OPIC expects FY 2025 to be a banner year for savings.

In addition to rate reviews, OPIC reviews the personal automobile and residential property insurance policy forms submitted to TDI for approval. OPIC works with TDI and insurance companies to address any concerns. Insurers are sophisticated stakeholders in the policy form process, utilizing their vast legal, workforce, and financial resources to help them with form approval and form issues at TDI. OPIC, with its expertise, steps in before TDI as a stakeholder for the consumer and makes sure their concerns and point of view are considered too.

OPIC cannot completely quantify its positive impact on consumers with regard to policy forms because the number of affected policies and policyholders, as well as the number of impacted claims, are unknown. However, in FYs 2023 and 2024, OPIC's staff were solely responsible for more than 246 changes being made to policy forms pending before TDI for approval. In FY 2023, OPIC's staff caused 72 changes, and the changes in FY 2024 (as of 8/19/2024) were 174. The majority of those changes prevented reductions in coverage, while others reduced fees or increased compensation for services like towing and storage of the policyholder's vehicle. It is important to understand that these coverages and changes would not have happened without OPIC. While OPIC works with TDI to protect consumers on countless policy form provisions, the numbers listed above are solely the result of OPIC. Without OPIC those coverages and additional benefits would no longer be available to consumers.

In addition to representing the interests of insurance consumers in the regulatory realm, OPIC fulfills its statutory duties by recommending legislation to the Texas Legislature that would positively affect the interests of insurance consumers; providing resource testimony and information to the Texas Legislature on insurance issues; and intervening in legal and other matters, as appropriate, for positions that are most advantageous to a substantial number of insurance consumers.

One of OPIC's most important duties is consumer education and outreach. Sections 501.251 and 501.252 of the Insurance Code direct the agency to evaluate Health Maintenance Organization (HMO) performance and quality of care, and to annually develop an HMO consumer report card to help consumers identify and compare HMOs. Additionally, Section 501.156 instructs the agency to submit to TDI for adoption a consumer bill of rights appropriate to personal lines of insurance regulated by TDI. The Bills of Rights produced by OPIC are designed to advise consumers of their rights and are updated as new statutes, rules, regulations, and case law require. OPIC's subject-matter experts also provide direct consumer assistance by developing and publishing consumer-friendly articles and other content, and by answering questions over the phone and via email on a daily basis.

Given OPIC's mandate to represent the interests of insurance consumers, and Section 501.004 of the Insurance Code, OPIC has significant responsibilities for consumer education and outreach. This is reflected in OPIC's performance measure targets, which include reaching over 60% of consumers, providing report card and other publication access to over 3 million consumers, and issuing over 2,000 communications. OPIC regularly goes above and beyond these performance measure requirements by providing Texas consumers with essential information about insurance via its social media channels and website, including information on policy terms, loss prevention, claim handling, storm recovery, and more. OPIC reached over 5.8 million Texans via social media and its website in FY 2023 and over 4.1 million so far in FY 2024. Public presentations and other communications, such as participating in town halls and community events, are now a major focus for the agency as well.

While OPIC creates informational postcards, brochures, and other print materials to assist consumers, OPIC primarily uses its website and social media applications (Facebook and X (formerly Twitter)) to achieve the goal of increased consumer education and outreach. OPIC has created and maintains on its website a Policy Comparison Tool that helps consumers compare policies and coverage when shopping for personal automobile and residential property insurance. Additionally, OPIC works with TDI to maintain the Helpinsure.com website, which allows consumers to compare rates when shopping for personal automobile and residential property insurance. OPIC continually updates its website and social media applications, both in form and content.

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AGENCY BUDGET AND RESOURCES

OPIC's budget team has conducted a careful and thorough review of the agency's budget in preparation for this budget cycle. Several issues are apparent.

First, OPIC experienced temporary vacancies in several FTE positions during FY 2024 resulting in a lapse of \$223,520. The exclusion of this amount from the 2026-27 GR/GR-D Limit calculation will cause undue hardship to the agency in the form of unfunded FTEs in currently vacant positions. Also excluded from the calculation is \$114,222 in start-up costs related to the Policy Comparison Tool. These amounts need to be restored to the agency's budget, since OPIC plans to continue working these activities in FY 2025 and will need continued funding for them in the next biennium.

Second, the addition of the COPA program involves the acquisition of another FTE. It is conceivable that the COPA program could expand to more hospitals, which would likely require other FTEs. Because the program is funded by fees, it is likely that an increase in the FTE cap of one might be necessary, but no corresponding appropriation would be required. The addition of this program will require a new strategy in the agency's budget structure. Currently, it is listed within Strategy A.1.1, Participate in Rates/Rules/Forms, because of unresolved issues in the agency's setup in the relevant computer system. The new strategy will need to be changed to the strategy currently listed as Strategy D.1.1 in the requested riders and both strategy and riders designated consistently once these issues are resolved, which should be relatively quickly.

Third, OPIC does not have unexpended balance authority. When projects go beyond their initially projected duration, it is not possible to attempt to accelerate progress in the second year of a biennium by expending the previous year's unexpended balance. Both the Office of Public Utility Counsel and the Office of Injured Employee Counsel have unexpended balance authority, and it would be significantly useful to OPIC to have unexpended balance authority.

Fourth, while raises granted by the Legislature for the FY 2024-2025 budget cycle have helped, retention or hiring of staff with the high level of expertise and experience necessary for OPIC to excel in its mission is still an issue for the agency. Because other agencies and private businesses can offer better financial compensation than OPIC, the agency has had difficulty filling positions and anticipates difficulty retaining qualified employees on staff. OPIC has found it necessary to compensate actuarial and form review personnel at higher rates than budgeted (made possible through unexpended balances for unfilled and temporarily vacant positions). OPIC anticipates needing to continue to raise compensation for actuarial and forms review, as well as legal staff. Being able to give merit increases would help here, and funding is requested for that purpose.

Fifth, OPIC consistently finds itself with legal projects lagging behind schedule, and will now be adding the need to do rulemaking for the Chapter 314 A COPA program under Health & Safety Code Section 314A.005. OPIC needs to add another legal position to cover this need, which should be compensated as an Attorney IV at a level of \$124,607 (the projected midpoint of the current salary range plus the 5% boost in FY 2025).

Sixth, filling the recent Deputy Public Counsel vacancy attracted only 2 applicants. The salary level offered was clearly inadequate and needs to be raised to \$142,636 for that position based on the widely varied knowledge and duties required (general counsel to a state agency) and comparison with the general counsels at the Office of Injured Employee Counsel (\$135,844) and the Office of Public Utility Counsel (\$151,680), assuming the 5% boost in FY 2025.

Seventh, while in the past OPIC was able to function with a communications FTE that covered both communications (including online content generation) and

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technology supervision and support, this is no longer the case. With agency growth, increases in the complexity of OPIC's computer systems and online applications, and an ever-increasing need for information security oversight, these positions need to be split. OPIC needs to add an Information Specialist position specifically dedicated to communications, social media content and online presence with a salary level of \$75,600 for that position.

For the reasons detailed above, OPIC is submitting 7 exceptional item requests for consideration by the Texas Leadership and Texas Legislature. OPIC requests 1) restoration of amounts excluded in the calculation of the GR/GR-D Limit for the 2026-27 biennium, 2) an increase in one research specialist for the COPA program; 3) unexpended balance authority; 4) salary increases for the actuarial and form review teams; 5) an increase of one legal FTE and funding for that position; 6) additional funding for the current Deputy Public Counsel position; 7) an increase of one FTE and additional funding for a communications and online content position.

SPECIFIC INFORMATION REQUESTED BY THE LEGISLATIVE BUDGET BOARD FOR THIS BUDGET CYCLE

Exempt Position:

Of OPIC's current employees, the lone exempt position is the Public Counsel, who also serves as the agency's Executive Director. The current Public Counsel, David Bolduc, was appointed by Governor Greg Abbott in March 2023.

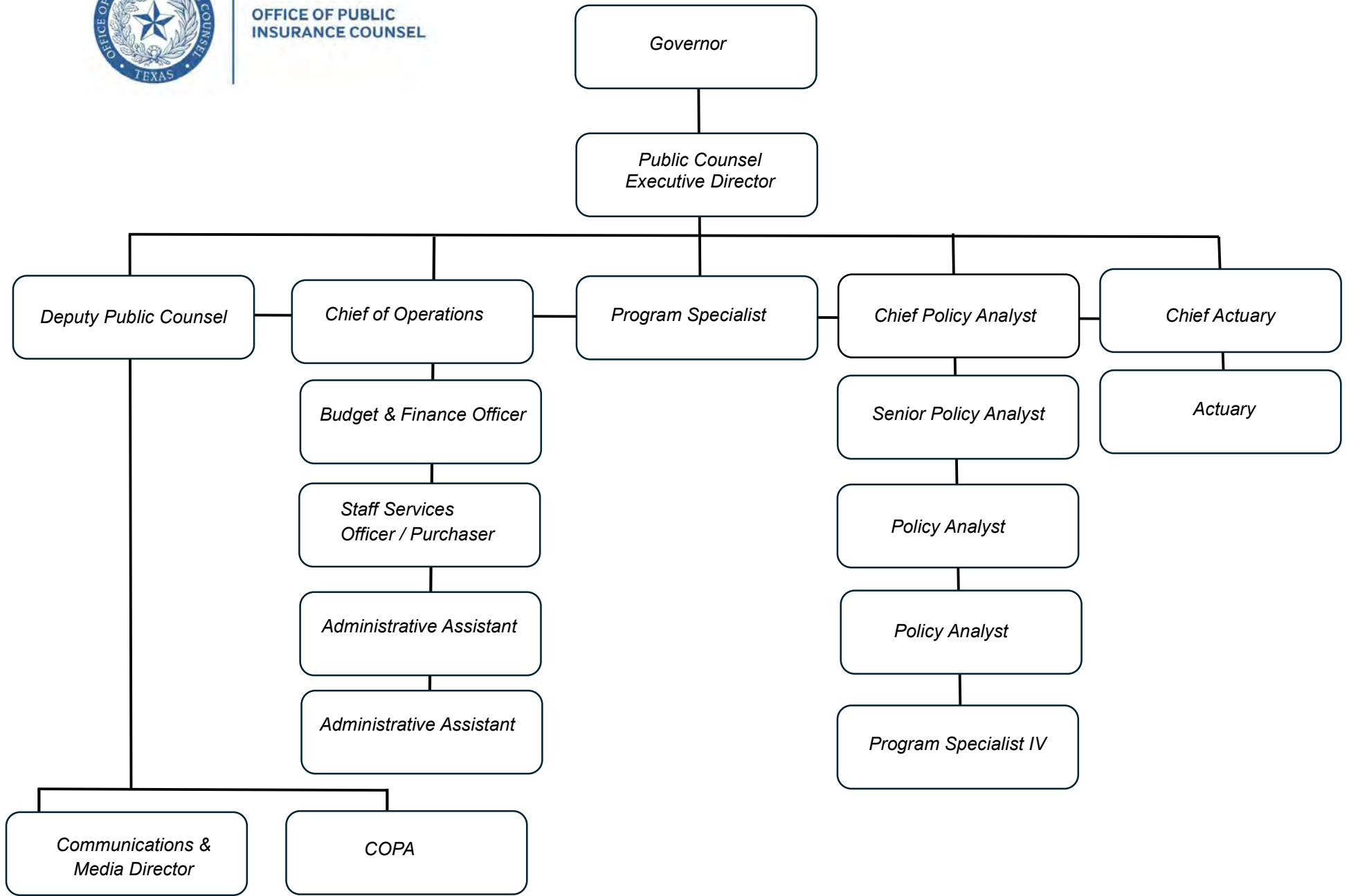
Background Checks:

OPIC does not have direct statutory authority to conduct background checks.

The agency uses E-Verify, which electronically compares information the employer enters from Form I-9 to records available to the Social Security Administration and the U.S. Department of Homeland Security. This verification confirms an employee's eligibility to work in the United States.



OFFICE OF PUBLIC
INSURANCE COUNSEL





CERTIFICATE

Agency Name Office of Public Insurance Counsel

This is to certify that the information contained in the agency Legislative Appropriations Request filed with the Legislative Budget Board (LBB) and the Office of the Governor, Budget and Policy Division, is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Office of the Governor will be notified in writing in accordance with House Bill 1, Article IX, Section 7.01, Eighty-eighth Legislature, Regular Session, 2023.

Chief Executive Office or Presiding Judge


Signature _____

David Bolduc
Printed Name _____

Public Counsel
Title _____

August 25, 2024
Date _____

Board or Commission Chair

Signature _____

Printed Name _____

Title _____

Date _____

Chief Financial Officer


Signature _____

Patricia C. Zapata
Printed Name _____

COO/CFO Title _____

August 25, 2024
Date _____

General Revenue (GR) & General Revenue Dedicated (GR-D) Baseline

DATE: 8/25/2024

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TIME: 9:40:41PM

Agency code: 359

Agency name: Office of Public Insurance Counsel

GR Baseline Request Limit = \$2,689,993

GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider				2026 Funds				2027 Funds				Biennial Cumulative GR	Biennial Cumulative Ded	Page #
FTEs	Total	GR	Ded	FTEs	Total	GR	Ded							
Strategy: 1 - 1 - 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings														
13.0	1,274,059	1,274,059	0	13.0	1,274,060	1,274,060	0		2,548,119	0				
Strategy: 2 - 1 - 1 Provide Consumers with Information to Make Informed Choices														
3.0	262,607	70,937	0	3.0	262,607	70,937	0		2,689,993	0				
16.0				16.0					*****GR Baseline Request Limit=\$2,689,993*****					
Excp Item: 1 Restoration of excluded amounts in calculation of the 2026-27 GR/GR-D Limit.														
0.0	225,982	225,982	0	0.0	125,982	125,982	0		3,041,957	0				
Strategy Detail for Excp Item: 1														
Strategy: 1 - 1 - 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings														
0.0	118,871	118,871	0	0.0	118,871	118,871	0							
Strategy: 2 - 1 - 1 Provide Consumers with Information to Make Informed Choices														
0.0	107,111	107,111	0	0.0	7,111	7,111	0							
Excp Item: 2 COPA Program - Research Specialist V														
1.0	93,487	93,487	0	1.0	91,344	91,344	0		3,226,788	0				
Strategy Detail for Excp Item: 2														
Strategy: 1 - 1 - 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings														
1.0	93,487	93,487	0	1.0	91,344	91,344	0							
Excp Item: 3 Rider 701 - Authority for the appropriation of COPA Receipts.														
0.0	200,000	200,000	0	0.0	200,000	200,000	0		3,626,788	0				
Strategy Detail for Excp Item: 3														
Strategy: 1 - 1 - 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings														
0.0	200,000	200,000	0	0.0	200,000	200,000	0							
Excp Item: 4 Rider 703 - Appropriation of Unexpended Balances from FY 2025 to FY 2026														

General Revenue (GR) & General Revenue Dedicated (GR-D) Baseline

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

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GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider				2027 Funds				Biennial Cumulative GR	Biennial Cumulative Ded	Page #
2026 Funds				2027 Funds						
FTEs	Total	GR	Ded	FTEs	Total	GR	Ded			
0.0	300,000	0	0	0.0	0	0	0	3,626,788	0	_____
Strategy Detail for Excp Item: 4										
Strategy: 1 - 1 - 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings										
0.0	300,000	0	0	0.0	0	0	0			
Excp Item: 5 Salary Increase - Recruitment and Retention of Professional Staff										
0.0	35,487	35,487	0	0.0	80,203	80,203	0	3,742,478	0	_____
Strategy Detail for Excp Item: 5										
Strategy: 1 - 1 - 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings										
0.0	30,392	30,392	0	0.0	66,164	66,164	0			
Strategy: 2 - 1 - 1 Provide Consumers with Information to Make Informed Choices										
0.0	5,095	5,095	0	0.0	14,039	14,039	0			
Excp Item: 6 One FTE - Attorney IV										
1.0	132,187	132,187	0	1.0	131,978	131,978	0	4,006,643	0	_____
Strategy Detail for Excp Item: 6										
Strategy: 1 - 1 - 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings										
1.0	132,187	132,187	0	1.0	131,978	131,978	0			
Excp Item: 7 Deputy Public Counsel Salary Increase										
0.0	27,272	27,272	0	0.0	34,439	34,439	0	4,068,354	0	_____
Strategy Detail for Excp Item: 7										
Strategy: 1 - 1 - 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings										
0.0	21,818	21,818	0	0.0	27,551	27,551	0			
Strategy: 2 - 1 - 1 Provide Consumers with Information to Make Informed Choices										
0.0	5,454	5,454	0	0.0	6,888	6,888	0			

General Revenue (GR) & General Revenue Dedicated (GR-D) Baseline

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GR Baseline Request Limit = \$2,689,993

GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider								Biennial	Biennial	
2026 Funds				2027 Funds				Cumulative GR	Cumulative Ded	Page #
FTEs	Total	GR	Ded	FTEs	Total	GR	Ded			
Excp Item: 8	One FTE - Information Specialist III									
1.0	82,917	82,917	0	1.0	80,264	80,264	0	4,231,535	0	_____
Strategy Detail for Excp Item: 8										
Strategy: 2 - 1 - 1	Provide Consumers with Information to Make Informed Choices									
1.0	82,917	82,917	0	1.0	80,264	80,264	0			
19.0	\$2,633,998	\$2,142,328	\$0	19.0	\$2,280,877	\$2,089,207	0			

Budget Overview - Biennial Amounts
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Appropriation Years: 2026-27

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS	
	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2026-27	
	Goal: 1. Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings											
1.1.1. Participate In Rates/Rules/Forms	2,611,720	2,548,119								2,611,720	2,548,119	1,532,663
Total, Goal	2,611,720	2,548,119								2,611,720	2,548,119	1,532,663
Goal: 2. Increase Consumer Choice-Educate Texas Insurance Consumers												
2.1.1. Insurance Information	123,733	141,874					328,215	383,340	451,948	525,214		308,879
Total, Goal	123,733	141,874					328,215	383,340	451,948	525,214		308,879
Total, Agency	2,735,453	2,689,993					328,215	383,340	3,063,668	3,073,333		1,841,542
Total FTEs									16.0	16.0		3.0

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>1</u> Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings					
<u>1</u> Ensure Fair Rates/Adequate Rules to Protect TX Insurance Consumers					
1 PARTICIPATE IN RATES/RULES/FORMS	762,848	1,238,615	1,373,105	1,274,059	1,274,060
TOTAL, GOAL 1	\$762,848	\$1,238,615	\$1,373,105	\$1,274,059	\$1,274,060
<u>2</u> Increase Consumer Choice-Educate Texas Insurance Consumers					
<u>1</u> Contact Insurance Consumers Regarding Insurance Coverage/Markets					
1 INSURANCE INFORMATION	166,019	136,545	315,403	262,607	262,607
TOTAL, GOAL 2	\$166,019	\$136,545	\$315,403	\$262,607	\$262,607
TOTAL, AGENCY STRATEGY REQUEST	\$928,867	\$1,375,160	\$1,688,508	\$1,536,666	\$1,536,667
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$928,867	\$1,375,160	\$1,688,508	\$1,536,666	\$1,536,667

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	762,848	1,238,615	1,496,838	1,344,996	1,344,997
SUBTOTAL	\$762,848	\$1,238,615	\$1,496,838	\$1,344,996	\$1,344,997
Other Funds:					
777 Interagency Contracts	166,019	136,545	191,670	191,670	191,670
SUBTOTAL	\$166,019	\$136,545	\$191,670	\$191,670	\$191,670
TOTAL, METHOD OF FINANCING	\$928,867	\$1,375,160	\$1,688,508	\$1,536,666	\$1,536,667

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

2.B. Summary of Base Request by Method of Finance
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Agency code: 359		Agency name: Office of Public Insurance Counsel				
METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027	
<u>GENERAL REVENUE</u>						
<u>1</u> General Revenue Fund						
<i>REGULAR APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2022-23 GAA)	\$808,420	\$0	\$0	\$0	\$0	
Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$1,462,135	\$1,496,838	\$0	\$0	
Regular Appropriations from MOF Table (2026-27 GAA)	\$0	\$0	\$0	\$1,344,996	\$1,344,997	
<i>TRANSFERS</i>						
SB 30, 88th Leg, Regular Session	\$5,000	\$0	\$0	\$0	\$0	
Comments: Salary Adjustments						
<i>LAPSED APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2022-23 GAA)	\$(50,572)	\$0	\$0	\$0	\$0	

2.B. Summary of Base Request by Method of Finance
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Agency code: 359	Agency name: Office of Public Insurance Counsel					
METHOD OF FINANCING		Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>GENERAL REVENUE</u>						
	Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$(223,520)	\$0	\$0	\$0
	Comments: The bulk of the lapse is due to temporary vacancies in several positions. \$39,130 is due to a lump sum estimate for an employee who has since delayed retirement into FY 2025. \$2,505 is due to estimated savings in utilities and travel.					
TOTAL, General Revenue Fund		\$762,848	\$1,238,615	\$1,496,838	\$1,344,996	\$1,344,997
TOTAL, ALL GENERAL REVENUE		\$762,848	\$1,238,615	\$1,496,838	\$1,344,996	\$1,344,997

OTHER FUNDS

777 Interagency Contracts
TRANSFERS

	Interagency Contract from MOF Table (2022-23 GAA)	\$191,670	\$0	\$0	\$0	\$0
	Interagency Contract from MOF Table (2024-25 GAA)	\$0	\$191,670	\$191,670	\$0	\$0
	Interagency Contract from MOF Table (2025-26 GAA)					

2.B. Summary of Base Request by Method of Finance
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Agency code: 359		Agency name: Office of Public Insurance Counsel				
METHOD OF FINANCING		Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>OTHER FUNDS</u>		\$0	\$0	\$0	\$191,670	\$191,670
<i>LAPSED APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2022-23 GAA)		\$(25,651)	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2024-25 GAA)		\$0	\$(55,125)	\$0	\$0	\$0
TOTAL,	Interagency Contracts	\$166,019	\$136,545	\$191,670	\$191,670	\$191,670
TOTAL, ALL	OTHER FUNDS	\$166,019	\$136,545	\$191,670	\$191,670	\$191,670
GRAND TOTAL		\$928,867	\$1,375,160	\$1,688,508	\$1,536,666	\$1,536,667

2.B. Summary of Base Request by Method of Finance
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/25/2024 9:40:51PM

Agency code: 359	Agency name: Office of Public Insurance Counsel				
METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2022-23 GAA)	10.0	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2024-25 GAA)	0.0	16.0	16.0	16.0	16.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Unauthorized Number Over (Below) Cap	(1.5)	(4.0)	0.0	0.0	0.0
TOTAL, ADJUSTED FTES	8.5	12.0	16.0	16.0	16.0

**NUMBER OF 100% FEDERALLY FUNDED
 FTEs**

2.C. Summary of Base Request by Object of Expense

8/25/2024 9:40:51PM

89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

359 Office of Public Insurance Counsel

OBJECT OF EXPENSE	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1001 SALARIES AND WAGES	\$720,155	\$1,128,860	\$1,454,345	\$1,368,485	\$1,368,485
1002 OTHER PERSONNEL COSTS	\$32,000	\$52,750	\$52,750	\$52,750	\$52,750
2001 PROFESSIONAL FEES AND SERVICES	\$2,820	\$78,950	\$93,372	\$26,750	\$26,750
2003 CONSUMABLE SUPPLIES	\$832	\$1,750	\$1,750	\$1,750	\$1,750
2004 UTILITIES	\$120	\$2,700	\$2,700	\$2,700	\$2,700
2005 TRAVEL	\$0	\$1,350	\$1,350	\$1,350	\$1,350
2006 RENT - BUILDING	\$60	\$120	\$0	\$0	\$0
2007 RENT - MACHINE AND OTHER	\$3,765	\$5,750	\$5,110	\$5,750	\$5,750
2009 OTHER OPERATING EXPENSE	\$169,115	\$102,930	\$77,131	\$77,131	\$77,132
OOE Total (Excluding Riders)	\$928,867	\$1,375,160	\$1,688,508	\$1,536,666	\$1,536,667
OOE Total (Riders)					
Grand Total	\$928,867	\$1,375,160	\$1,688,508	\$1,536,666	\$1,536,667

2.D. Summary of Base Request Objective Outcomes
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

8/25/2024 9:40:51PM

359 Office of Public Insurance Counsel

Goal/ Objective / Outcome	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1 Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings					
1 Ensure Fair Rates/Adequate Rules to Protect TX Insurance Consumers					
1 Percentage of Rate, Rule, & Policy Form Filings Participatory OPIC	58.06%	57.45%	65.00%	65.00%	65.00%
KEY 2 % Rates/Rules/Policy Forms Changed As a Result of OPIC Participation	43.74%	85.00%	85.00%	85.00%	85.00%
KEY 3 % Policy Form Changes As a Result of OPIC Participation	0.00%	0.00%	85.00%	85.00%	85.00%
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	47.06%	50.00%	50.00%	55.00%	55.00%

2.E. Summary of Exceptional Items Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2024
 TIME : 9:40:52PM

Agency code: 359

Agency name: Office of Public Insurance Counsel

Priority	Item	2026			2027			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Restore Budget	\$225,982	\$225,982		\$125,982	\$125,982		\$351,964	\$351,964
2	One FTE COPA Program	\$93,487	\$93,487	1.0	\$91,344	\$91,344	1.0	\$184,831	\$184,831
3	Rider 701	\$200,000	\$200,000		\$200,000	\$200,000		\$400,000	\$400,000
4	Rider 703		\$300,000			\$0			\$300,000
5	Salary Increase - Pro Staff	\$35,487	\$35,487		\$80,203	\$80,203		\$115,690	\$115,690
6	One FTE Legal	\$132,187	\$132,187	1.0	\$131,978	\$131,978	1.0	\$264,165	\$264,165
7	Salary Increase - DPC	\$27,272	\$27,272	0.0	\$34,439	\$34,439	0.0	\$61,711	\$61,711
8	One FTE Comms	\$82,917	\$82,917	1.0	\$80,264	\$80,264	1.0	\$163,181	\$163,181
Total, Exceptional Items Request		\$797,332	\$1,097,332	3.0	\$744,210	\$744,210	3.0	\$1,541,542	\$1,841,542

Method of Financing

General Revenue	\$797,332	\$797,332		\$744,210	\$744,210		\$1,541,542	\$1,541,542
General Revenue - Dedicated								
Federal Funds								
Other Funds		300,000			0			300,000
	\$797,332	\$1,097,332		\$744,210	\$744,210		\$1,541,542	\$1,841,542

Full Time Equivalent Positions

3.0

3.0

Number of 100% Federally Funded FTEs

2.F. Summary of Total Request by Strategy
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/25/2024
 TIME : 9:40:52PM

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

Goal/Objective/STRATEGY	Base 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
1 Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings						
1 <i>Ensure Fair Rates/Adequate Rules to Protect TX Insurance Consume</i>						
1 PARTICIPATE IN RATES/RULES/FORMS	\$1,274,059	\$1,274,060	\$896,755	\$635,908	\$2,170,814	\$1,909,968
TOTAL, GOAL 1	\$1,274,059	\$1,274,060	\$896,755	\$635,908	\$2,170,814	\$1,909,968
2 Increase Consumer Choice-Educate Texas Insurance Consumers						
1 <i>Contact Insurance Consumers Regarding Insurance Coverage/Mark</i>						
1 INSURANCE INFORMATION	262,607	262,607	200,577	108,302	463,184	370,909
TOTAL, GOAL 2	\$262,607	\$262,607	\$200,577	\$108,302	\$463,184	\$370,909
TOTAL, AGENCY STRATEGY REQUEST	\$1,536,666	\$1,536,667	\$1,097,332	\$744,210	\$2,633,998	\$2,280,877
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$1,536,666	\$1,536,667	\$1,097,332	\$744,210	\$2,633,998	\$2,280,877

2.F. Summary of Total Request by Strategy
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/25/2024
 TIME : 9:40:52PM

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

Goal/Objective/STRATEGY	Base 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
General Revenue Funds:						
1 General Revenue Fund	\$1,344,996	\$1,344,997	\$797,332	\$744,210	\$2,142,328	\$2,089,207
	\$1,344,996	\$1,344,997	\$797,332	\$744,210	\$2,142,328	\$2,089,207
Other Funds:						
777 Interagency Contracts	191,670	191,670	300,000	0	491,670	191,670
	\$191,670	\$191,670	\$300,000	\$0	\$491,670	\$191,670
TOTAL, METHOD OF FINANCING	\$1,536,666	\$1,536,667	\$1,097,332	\$744,210	\$2,633,998	\$2,280,877
FULL TIME EQUIVALENT POSITIONS	16.0	16.0	3.0	3.0	19.0	19.0

2.G. Summary of Total Request Objective Outcomes
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/25/2024
 Time: 9:40:53PM

Agency code: 359

Agency name: Office of Public Insurance Counsel

Goal/ Objective / Outcome

		BL 2026	BL 2027	Excp 2026	Excp 2027	Total Request 2026	Total Request 2027
1	Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings						
1	Ensure Fair Rates/Adequate Rules to Protect TX Insurance Consumers						
	1 Percentage of Rate, Rule, & Policy Form Filings Participatory OPIC						
		65.00%	65.00%	40.00%	40.00%	40.00%	40.00%
KEY	2 % Rates/Rules/Policy Forms Changed As a Result of OPIC Participation						
		85.00%	85.00%	60.00%	60.00%	60.00%	60.00%
KEY	3 % Policy Form Changes As a Result of OPIC Participation						
		85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
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						
		55.00%	55.00%	50.00%	50.00%	50.00%	50.00%

359 Office of Public Insurance Counsel

GOAL: 1 Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings
 OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect TX Insurance Consumers
 STRATEGY: 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings

Service Categories:
 Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Output Measures:						
	1 Number of Policy Form Fillings Reviewed to Determine Need for Analysis	375.00	582.00	488.00	485.00	485.00
KEY	2 Number of Policy Form Filings Analyzed to Determine Need for Revision	44.00	95.00	88.00	88.00	85.00
KEY	3 Number of Policy Form Changes Requested for Revision	16.00	45.00	38.00	35.00	35.00
	4 Number of Rule Filings Reviewed to Determine Need for Analysis	3.00	16.00	38.00	30.00	30.00
KEY	5 Number of Rule Filings Analyzed to Determine Need for Revision	3.00	16.00	28.00	20.00	20.00
KEY	6 Number of Rule Proposals Changes Requested for Revision	1.00	4.00	8.00	5.00	5.00
	7 Number of Rate Filings Reviewed to Determine Need for Analysis	1,115.00	626.00	1,068.00	900.00	900.00
KEY	8 Number of Rate Filings Analyzed to Determine Need for Revision	139.00	123.00	168.00	150.00	150.00
KEY	9 Number of Rate Filings with Changes Requested for Revision	38.00	46.00	54.00	50.00	50.00
KEY	10 # Responses to Leg or Exec Office Requests for Research or Information	33.00	21.00	10.00	10.00	10.00

Efficiency Measures:

359 Office of Public Insurance Counsel

GOAL: 1 Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings
 OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect TX Insurance Consumers
 STRATEGY: 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings

Service Categories:
 Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
KEY 1	Dollar Amount Saved P&C Ins TX Policy	14,798,382.00	2,124,232.00	0.00	0.00	0.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$576,124	\$999,860	\$1,216,880	\$1,134,456	\$1,134,456
1002	OTHER PERSONNEL COSTS	\$32,000	\$52,750	\$52,750	\$52,750	\$52,750
2001	PROFESSIONAL FEES AND SERVICES	\$2,820	\$78,950	\$37,872	\$21,250	\$21,250
2003	CONSUMABLE SUPPLIES	\$832	\$1,750	\$1,650	\$1,650	\$1,650
2004	UTILITIES	\$120	\$2,700	\$2,700	\$2,700	\$2,700
2005	TRAVEL	\$0	\$1,350	\$1,350	\$1,350	\$1,350
2006	RENT - BUILDING	\$60	\$120	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$2,186	\$4,135	\$3,250	\$3,250	\$3,250
2009	OTHER OPERATING EXPENSE	\$148,706	\$97,000	\$56,653	\$56,653	\$56,654
TOTAL, OBJECT OF EXPENSE		\$762,848	\$1,238,615	\$1,373,105	\$1,274,059	\$1,274,060
Method of Financing:						
1	General Revenue Fund	\$762,848	\$1,238,615	\$1,373,105	\$1,274,059	\$1,274,060
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$762,848	\$1,238,615	\$1,373,105	\$1,274,059	\$1,274,060

Method of Financing:

359 Office of Public Insurance Counsel

GOAL: 1 Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings
 OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect TX Insurance Consumers
 STRATEGY: 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings

Service Categories:
 Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
777	Interagency Contracts	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$0	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,274,059	\$1,274,060
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$762,848	\$1,238,615	\$1,373,105	\$1,274,059	\$1,274,060
FULL TIME EQUIVALENT POSITIONS:		6.8	10.0	13.0	13.0	13.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

The agency is directed by statute to represent the interest of insurance consumers (Insurance Code Section 501.002). The agency may assess the impact of insurance rates, rules, and forms on insurance consumers in this state (Insurance Code Sections 501.151 and 501.153).

OPIC intervenes to protect Texans from unjustified rate increases, to limit reductions in policy form coverages, and to help other regulatory agencies produce rules that benefit Texas consumers. OPIC also provides information about insurance issues affecting Texas consumers to the Texas Legislature both during the session and the interim.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

359 Office of Public Insurance Counsel

GOAL: 1 Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings
 OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect TX Insurance Consumers Service Categories:
 STRATEGY: 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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The current system of ratemaking allows insurers to file and use their rates subject to statutory standards. OPIC is authorized and directed to review and object to these filings by providing actuarial analysis and evidence to the Commissioner of Insurance and State Office of Administrative Hearings. 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).

Policy forms and endorsements require prior approval of the Commissioner of Insurance. OPIC is authorized to review, comment on, and object to these filings by providing expert analysis to TDI. As with rate filings, the reasonability and frequency of policy form filings made by insurers affects agency participation.

Rules, both formal and informal, typically originate from TDI. OPIC is authorized to review and comment on rules in the best interest of consumers. Frequency of rule proposals depends on a variety of factors outside the agency’s control.

Any additional changes within the regulatory structure of ratemaking may influence the duties, responsibilities, and fiscal needs of the agency.

359 Office of Public Insurance Counsel

GOAL: 1 Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings
 OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect TX Insurance Consumers
 STRATEGY: 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings

Service Categories:
 Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$2,611,720	\$2,548,119	\$(63,601)	\$52,172	1-GR Unexpended in FY 2024 remains budgeted in FYs 2025, 2026, and 2027.
			\$(74,322)	1-GR Unexpended in FY 2024 remains budgeted in FYs 2025, 2026, and 2027.
			\$(100)	1-GR Unexpended in FY 2024 remains budgeted in FYs 2025, 2026, and 2027.
			\$(120)	1-GR Expended in FY 2024 is new expenditure not allocated in FY 2024 or FY 2025. This amount will need to be allocated from elsewhere for FYs 2026 and 2027.
			\$(885)	1-GR Printer Lease savings in FY 2024.
			\$(40,346)	1-GR Computer equipment refresh.
			\$(63,601)	Total of Explanation of Biennial Change

359 Office of Public Insurance Counsel

GOAL: 2 Increase Consumer Choice-Educate Texas Insurance Consumers
 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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Output Measures:						
	1 Number of Bills of Rights or Revisions Proposed	2.00	0.00	2.00	0.00	2.00
KEY 2	Number of Report Cards and Publications Produced & Distributed	5,076,197.00	4,911,384.00	3,000,000.00	3,000,000.00	3,000,000.00
KEY 3	Number of Public Presentations or Communications	2,352.00	2,123.00	2,000.00	2,000.00	2,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$144,031	\$129,000	\$237,465	\$234,029	\$234,029
1002	OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$0	\$0
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$55,500	\$5,500	\$5,500
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$100	\$100	\$100
2007	RENT - MACHINE AND OTHER	\$1,579	\$1,615	\$1,860	\$2,500	\$2,500
2009	OTHER OPERATING EXPENSE	\$20,409	\$5,930	\$20,478	\$20,478	\$20,478
TOTAL, OBJECT OF EXPENSE		\$166,019	\$136,545	\$315,403	\$262,607	\$262,607
Method of Financing:						
1	General Revenue Fund	\$0	\$0	\$123,733	\$70,937	\$70,937
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$0	\$123,733	\$70,937	\$70,937

Method of Financing:

359 Office of Public Insurance Counsel

GOAL: 2 Increase Consumer Choice-Educate Texas Insurance Consumers
 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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
777	Interagency Contracts	\$166,019	\$136,545	\$191,670	\$191,670	\$191,670
SUBTOTAL, MOF (OTHER FUNDS)		\$166,019	\$136,545	\$191,670	\$191,670	\$191,670
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$262,607	\$262,607
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$166,019	\$136,545	\$315,403	\$262,607	\$262,607
FULL TIME EQUIVALENT POSITIONS:		1.7	2.0	3.0	3.0	3.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

359 Office of Public Insurance Counsel

GOAL: 2 Increase Consumer Choice-Educate Texas Insurance Consumers
 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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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The Insurance Code charges OPIC with representing the interests of consumers. (Section 501.002) The agency engages in outreach and education to provide meaningful information that helps Texas consumers find insurance that best meets their needs. With the increased prevalence of the internet and social media, OPIC is able to communicate with more consumers in a cost-effective manner through our website and social media applications.

OPIC developed and maintains a Policy Comparison Tool for personal auto and residential property policies. This tool allows consumers to compare insurance coverages offered by different companies. OPIC also works with the Texas Department of Insurance (TDI) on the HelpInsure website, which allows consumers to compare rates for residential property and personal auto insurance. (Insurance Code Section 32.102)

OPIC produces two reports to enable consumers to compare HMO quality of care and performance. These reports are important to help consumers and small business owners navigate their often-confusing health insurance options. (Insurance Code Sections 501.251 and 501.252)

The agency is directed by statute to submit to TDI a consumer bill of rights for each personal line of insurance. (Insurance Code Section 501.156) The Bills of Rights provide a summary of the legal protections put in place for consumers by the Texas Legislature. Texas law requires Bills of Rights to be included with each consumer's policy, directly impacting consumers by helping them understand the rights they have under state law.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The issuance of the statutorily mandated Bills of Rights varies yearly depending upon legislative or regulatory changes made to consumer protection laws and regulations. The issuance of the Health Maintenance Organization report cards depends on the collection of data by TDI and the Texas Department of State Health Services. Continuation of effective consumer education and outreach is contingent on budget factors and the agency's ability to attract and retain qualified staff with the requisite technical expertise.

359 Office of Public Insurance Counsel

GOAL: 2 Increase Consumer Choice-Educate Texas Insurance Consumers
 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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$451,948	\$525,214	\$73,266	\$101,593	SALARY AND WAGES 777 - IAC
			\$(44,500)	PROFESSIONAL FEES AND SERVICES 1-GR (\$50,000) in star-up funding for PCT was removed from FY 2026 and FY 2027. 777 - \$5,500 unexpended in FY 2024 remains budgeted in FYs 2025, 2026, and 2027.
			\$100	CONSUMABLE SUPPLIES 777 - IAC \$100 unexpended in FY 2024 remains budgeted in FYs 2025, 2026, and 2027.
			\$1,525	RENT - MACHINE AND OTHER 777 - IAC \$1,525 unexpended printer lease costs in FY 2024 remains budgeted in FYs 2025, 2026, and 2027. Less expense is due to down sizing from two printers to one.

359 Office of Public Insurance Counsel

GOAL: 2 Increase Consumer Choice-Educate Texas Insurance Consumers
 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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
	\$451,948	\$525,214	\$73,266	\$14,548	OTHER OPERATING EXPENSE 777 - IAC \$14,548 unexpended during FY 2024 remains budgeted in FYs 2025, 2026, and 2027.	
			\$73,266		Total of Explanation of Biennial Change	

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$928,867	\$1,375,160	\$1,688,508	\$1,536,666	\$1,536,667
METHODS OF FINANCE (INCLUDING RIDERS):				\$1,536,666	\$1,536,667
METHODS OF FINANCE (EXCLUDING RIDERS):	\$928,867	\$1,375,160	\$1,688,508	\$1,536,666	\$1,536,667
FULL TIME EQUIVALENT POSITIONS:	8.5	12.0	16.0	16.0	16.0

3.B. Rider Revisions and Additions Request

Agency Code: 359	Agency Name: Office of Public Insurance Counsel	Prepared By: David Bolduc and Patricia Zapata	Date: 08/20/2024	Request Level: Baseline
Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language		
701	VII	<p><u>Appropriation of Receipts: Certificate of Public Advantage Fees.</u> In addition to the amounts appropriated above to the Office of Public Insurance Counsel (OPIC) in Strategy D.1.1, Certificate of Public Advantage (COPA) Program, OPIC is appropriated any revenue (estimated to be \$200,000) collected pursuant to Texas Health and Safety Code, Chapter 314A and deposited to the credit of the General Revenue Fund. These funds shall only be used to review and monitor merger agreements in compliance with Health and Safety Code, Chapter 314A.</p> <p style="text-align: center;"><i>Add rider providing appropriation authority to collect revenue (estimated to be \$200,000 in each fiscal year) related to new program currently in effect. (New Strategy D.1.1, Certificate of Public Advantage (COPA) Program)</i></p>		
702	VII	<p><u>Appropriation of Unexpended Balances.</u> Any unexpended and unobligated balances in appropriations made to Strategy A.1.1, Participate in Rates/Rules/Forms, Strategy B.1.1, Increase Consumer Choice, and Strategy D.1.1, Certificate of Public Advantage (COPA) Program remaining as of August 31, 2026, are appropriated to the Office of Public Insurance Counsel for the fiscal year beginning September 1, 2026, for the same purpose.</p> <p style="text-align: center;"><i>Add rider providing unexpended balance authority for all appropriated funding for FY 2026 to FY 2027.</i></p>		
703	VII	<p><u>Appropriation of Unexpended Balances.</u> Any unexpended and unobligated balances in appropriations made to Strategy D.1.1, Certificate of Public Advantage (COPA) Program remaining as of August 31, 2025, are appropriated to the Office of Public Insurance Counsel for the fiscal year beginning September 1, 2025, for the same purpose.</p> <p style="text-align: center;"><i>Add rider providing unexpended balance authority for year 1 of new program currently in effect (estimated to be \$300,000). (New Strategy D.1.1, Certificate of Public Advantage (COPA) Program)</i></p>		

4.A. Exceptional Item Request Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/25/2024**
 TIME: **9:41:04PM**

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

CODE	DESCRIPTION	Excp 2026	Excp 2027
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Item Name: Restoration of excluded amounts in calculation of the 2026-27 GR/GR-D Limit.
Item Priority: 1
IT Component: No
Anticipated Out-year Costs: Yes
Involve Contracts > \$50,000: No
Includes Funding for the Following Strategy or Strategies: 01-01-01 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings
 02-01-01 Provide Consumers with Information to Make Informed Choices

OBJECTS OF EXPENSE:

1001	SALARIES AND WAGES	125,982	125,982
1002	OTHER PERSONNEL COSTS	0	0
2001	PROFESSIONAL FEES AND SERVICES	100,000	0
TOTAL, OBJECT OF EXPENSE		\$225,982	\$125,982

METHOD OF FINANCING:

1	General Revenue Fund	225,982	125,982
TOTAL, METHOD OF FINANCING		\$225,982	\$125,982

DESCRIPTION / JUSTIFICATION:

OPIC experienced temporary vacancies in several FTE positions during FY 2024 resulting in a lapse of \$223,520. The exclusion of this amount from the 2026-27 GR/GR-D Limit will cause undue hardship to the agency in the form of unfunded FTEs in currently vacant positions. Also excluded from the calculation is \$ 114,222 in start up costs related to the Policy Comparison Tool. These amounts need to be restored to the agency's budget.

EXTERNAL/INTERNAL FACTORS:

External: Available workforce and skill level of available workforce. Because other agencies and private businesses can offer better financial compensation than OPIC, the agency has had difficulty filling positions and anticipates difficulty retaining qualified employees on staff.

Internal: Agency will have to regain the shortage in salary from other non-related programs.

PCLS TRACKING KEY:

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

CODE	DESCRIPTION	Excp 2026	Excp 2027
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DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Recoupment of \$7111 per fiscal year for the salary of one FTE. This amount was deducted in the calculation of the GR-GR-D Limit for FY 2026-27.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$7,111	\$7,111	\$7,111

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DATE: 8/25/2024
 TIME: 9:41:04PM

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

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: COPA Program - Research Specialist V Item Priority: 2 IT Component: Yes Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 01-01-01 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	86,100	90,405
2009	OTHER OPERATING EXPENSE	7,387	939
TOTAL, OBJECT OF EXPENSE		\$93,487	\$91,344
METHOD OF FINANCING:			
1	General Revenue Fund	93,487	91,344
TOTAL, METHOD OF FINANCING		\$93,487	\$91,344
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.00	1.00

DESCRIPTION / JUSTIFICATION:

Governor Abbott designated OPIC as the appropriate state agency to review applications for certificates of public advantage (COPAs), and to supervise the activities for which those certificates are issued under Chapter 314A of the Texas Health & Safety Code. This program will require one FTE and will be funded by fees collected by the Health and Human Services Commission for this program.

EXTERNAL/INTERNAL FACTORS:

External: Governor Abbott designated OPIC as the appropriate state agency to review applications for certificates of public advantage (COPAs), and to supervise the activities for which those certificates are issued under Chapter 314A of the Texas Health & Safety Code.

PCLS TRACKING KEY:

N/A

DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:

The IT component includes equipment and cloud-based services. The costs include the purchase of equipment (laptop, docking station, and monitor, and necessary software) on the first and fourth year (refresh), and annual licensing for cloud-based services.

IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?

CURRENT

STATUS:

This is an ongoing project, as current staff are furnished with these resources. Changes in IT costs are mostly attributed to increased pricing of laptops, which has doubled

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

CODE	DESCRIPTION	Excp 2026	Excp 2027
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since the agency's last refresh.

OUTCOMES:

Implementation of this program will expand the scope of the agency's duties, resulting in the addition of one FTE, related equipment, and space.

OUTPUTS:

A new strategy is necessary for this program. No output measures currently exist for this new program.

TYPE OF PROJECT

Daily Operations

ALTERNATIVE ANALYSIS

The alternative would be to increase the FTE cap by one but leave it unfunded until a future date.

ESTIMATED IT COST

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$6,957	\$487	\$487	\$6,957	\$487	\$15,375

SCALABILITY

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FTE

2024	2025	2026	2027	2028	2029	2030
0.0	0.0	1.0	1.0	1.0	1.0	1.0

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Costs are for salary and refresh of the equipment for one FTE. Matching State contributions to ERS retirement, Social Security, Medicare, and Group Health Insurance are not included.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$91,344	\$97,814	\$91,344

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DATE: 8/25/2024
 TIME: 9:41:04PM

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

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Rider 701 - Authority for the appropriation of COPA Receipts. Item Priority: 3 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 01-01-01 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings		

OBJECTS OF EXPENSE:

2009	OTHER OPERATING EXPENSE	200,000	200,000
TOTAL, OBJECT OF EXPENSE		\$200,000	\$200,000

METHOD OF FINANCING:

1	General Revenue Fund	200,000	200,000
TOTAL, METHOD OF FINANCING		\$200,000	\$200,000

DESCRIPTION / JUSTIFICATION:

Governor Abbott designated OPIC as the appropriate state agency to review applications for certificates of public advantage (COPAs), and to supervise the activities for which those certificates are issued under Chapter 314A of the Texas Health & Safety Code. This program will be funded by fees collected by the Health and Human Services Commission. OPIC requests authorization for appropriation of COPA receipts estimated to be \$200,000 per fiscal year.

EXTERNAL/INTERNAL FACTORS:

External: Governor Abbott designated OPIC as the appropriate state agency to review applications for certificates of public advantage (COPAs), and to supervise the activities for which those certificates are issued under Chapter 314A of the Texas Health & Safety Code.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Appropriation of Receipts for the COPA Program, estimated to be \$200,000 per fiscal year.

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

CODE	DESCRIPTION	Excp 2026	Excp 2027
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ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$200,000	\$200,000	\$200,000

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

CODE	DESCRIPTION	Excp 2026	Excp 2027
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Item Name:	Rider 703 - Appropriation of Unexpended Balances from FY 2025 to FY 2026		
Item Priority:	4		
IT Component:	No		
Anticipated Out-year Costs:	No		
Involve Contracts > \$50,000:	No		
Includes Funding for the Following Strategy or Strategies:	01-01-01	Participate in Rate/Rule/Form/Judicial/Legislative Proceedings	
	02-01-01	Provide Consumers with Information to Make Informed Choices	

OBJECTS OF EXPENSE:

1001	SALARIES AND WAGES	0	0
2009	OTHER OPERATING EXPENSE	300,000	0
TOTAL, OBJECT OF EXPENSE		\$300,000	\$0

METHOD OF FINANCING:

777	Interagency Contracts	300,000	0
TOTAL, METHOD OF FINANCING		\$300,000	\$0

DESCRIPTION / JUSTIFICATION:

Governor Abbott designated OPIC as the appropriate state agency to review applications for certificates of public advantage (COPAs), and to supervise the activities for which those certificates are issued under Chapter 314A of the Texas Health & Safety Code. This program will be funded by fees collected by the Health and Human Services Commission. OPIC requests authorization for appropriation of COPA receipts estimated to be \$300,000 for fiscal year 2026.

EXTERNAL/INTERNAL FACTORS:

External: Governor Abbott designated OPIC as the appropriate state agency to review applications for certificates of public advantage (COPAs), and to supervise the activities for which those certificates are issued under Chapter 314A of the Texas Health & Safety Code.

PCLS TRACKING KEY:

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DATE: **8/25/2024**
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Agency code: **359** Agency name: **Office of Public Insurance Counsel**

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Salary Increase - Recruitment and Retention of Professional Staff Item Priority: 5 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 01-01-01 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings 02-01-01 Provide Consumers with Information to Make Informed Choices		

OBJECTS OF EXPENSE:

1001	SALARIES AND WAGES	35,311	79,804
2009	OTHER OPERATING EXPENSE	176	399
TOTAL, OBJECT OF EXPENSE		\$35,487	\$80,203

METHOD OF FINANCING:

1	General Revenue Fund	35,487	80,203
TOTAL, METHOD OF FINANCING		\$35,487	\$80,203

DESCRIPTION / JUSTIFICATION:

While raises granted by the Legislature for the FY 2024-2025 budget cycle have helped, retention or hiring of staff with the high level of expertise and experience necessary for OPIC to excel in its mission is still an issue for the agency. Because other agencies and private businesses can offer better financial compensation than OPIC, the agency has had difficulty filling positions and anticipates difficulty retaining qualified employees on staff. OPIC has found it necessary to compensate actuarial and form review personnel at higher rates than budgeted (made possible through unexpended balances for unfilled and temporarily vacant positions). OPIC anticipates needing to continue to raise compensation for actuarial, forms review, and legal staff by 5% in FY 2026, and 6% in FY 2027.

EXTERNAL/INTERNAL FACTORS:

External: Available workforce and skill level of available workforce. Because other agencies and private businesses can offer better financial compensation than OPIC, the agency has had difficulty filling positions and anticipates difficulty retaining qualified employees on staff.

PCLS TRACKING KEY:

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DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Costs are for the continuation of the increase in salary for actuarial, form review, and legal personnel . Matching State contributions to ERS retirement, Social Security, Medicare, and Group Health Insurance are not included.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

<u>2028</u>	<u>2029</u>	<u>2030</u>
\$80,203	\$80,203	\$80,203

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

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: One FTE - Attorney IV Item Priority: 6 IT Component: Yes Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 01-01-01 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	124,607	130,837
2009	OTHER OPERATING EXPENSE	7,580	1,141
TOTAL, OBJECT OF EXPENSE		\$132,187	\$131,978
METHOD OF FINANCING:			
1	General Revenue Fund	132,187	131,978
TOTAL, METHOD OF FINANCING		\$132,187	\$131,978
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.00	1.00

DESCRIPTION / JUSTIFICATION:

OPIC consistently finds itself with legal projects lagging behind schedule, and will now be adding the need to do rulemaking for the Chapter 314 A COPA program under Health & Safety Code Section 314A.005. OPIC needs to add another legal position to cover this need, which should be compensated as an Attorney IV at a level of \$124,607 (the projected midpoint of the current salary range plus the 5% boost in FY 2025.)

EXTERNAL/INTERNAL FACTORS:

External: Available workforce and skill level of available workforce. Because other agencies and private businesses can offer better financial compensation than OPIC, the agency has had difficulty filling positions and anticipates difficulty retaining qualified employees on staff.

Internal: An increase in complexity and time dedicated to legal projects.

PCLS TRACKING KEY:

N/A

DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:

The IT component includes equipment and cloud-based services. The costs include the purchase of equipment (laptop, docking station, and monitor, and necessary software) on the first and fourth year (refresh), and annual licensing for cloud-based services.

IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?

CURRENT

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DATE: 8/25/2024
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Agency code: 359

Agency name: Office of Public Insurance Counsel

CODE	DESCRIPTION	Excp 2026	Excp 2027
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STATUS:

This is an ongoing project, as current staff are furnished with these resources. Changes in IT costs are mostly attributed to increased pricing of laptops, which has doubled since the agency's last refresh.

OUTCOMES:

The addition of one Attorney V will allow the agency to improve lag time on legal projects and rulemaking for the new Certificate of Public Advantage Program program newly assigned by Governor Abbott. The addition of this FTE will allow staff to improve the performance of their key duties and increase outputs as more staff share the sizeable workloads. An increase in performance is expected for outcome measures Percentage of Rate, Rule, & Policy Form Filings in Which OPIC Participated; Percentage of Rates, Rules, and Policy Form Filings Changed As a Result of OPIC Participation.

OUTPUTS:

Affected programs include: Participate in Rate/Rules/Forms/Judicial/Legislature and Increase Consumer Choice, Education, and Information, and COPA program. An increase in performance for the following measures is expected: Output Measures: Rule Filings Reviewed; Rule Filings Analyzed; Rule Filing Changes Requested, Bill of Rights Proposals.

TYPE OF PROJECT

Daily Operations

ALTERNATIVE ANALYSIS

The alternative would be to increase the FTE cap by one but leave the FTE unfunded until a future date. Time lag related to legal workload will continue.

ESTIMATED IT COST

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$6,957	\$487	\$487	\$6,957	\$487	\$15,374

SCALABILITY

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FTE

2024	2025	2026	2027	2028	2029	2030
0.0	0.0	1.0	1.0	1.0	1.0	1.0

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

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2026</u>	<u>Excp 2027</u>
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DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Costs are for salary and refresh of the equipment for one FTE. Matching State contributions to ERS retirement, Social Security, Medicare, and Group Health Insurance are not included.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

<u>2028</u>	<u>2029</u>	<u>2030</u>
\$131,978	\$138,448	\$131,978

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DATE: **8/25/2024**
 TIME: **9:41:04PM**

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

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Deputy Public Counsel Salary Increase Item Priority: 7 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 01-01-01 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings 02-01-01 Provide Consumers with Information to Make Informed Choices		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	27,136	34,268
2009	OTHER OPERATING EXPENSE	136	171
TOTAL, OBJECT OF EXPENSE		\$27,272	\$34,439
METHOD OF FINANCING:			
1	General Revenue Fund	27,272	34,439
TOTAL, METHOD OF FINANCING		\$27,272	\$34,439

DESCRIPTION / JUSTIFICATION:

Filling the recent Deputy Public Counsel vacancy attracted only 2 applicants. The salary level offered was clearly inadequate and needs to be raised to \$135,844 for that position based on the widely varied knowledge and duties required (general counsel to a state agency) and comparison with the general counsels at the Office of Injured Employee Counsel (\$135,844) and the Office of Public Utility Counsel (\$151,680)

EXTERNAL/INTERNAL FACTORS:

External: Available workforce and skill level of available workforce. Because other agencies and private businesses can offer better financial compensation than OPIC, the agency has had difficulty filling positions and anticipates difficulty retaining qualified employees on staff.

PCLS TRACKING KEY:

4.A. Exceptional Item Request Schedule
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<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2026</u>	<u>Excp 2027</u>
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DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Costs are for salary for the Deputy Public Counsel position. Matching State contributions to ERS retirement, Social Security, Medicare, and Group Health Insurance are not included.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

<u>2028</u>	<u>2029</u>	<u>2030</u>
\$34,439	\$34,439	\$34,439

4.A. Exceptional Item Request Schedule
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DATE: 8/25/2024
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Agency code: 359 Agency name: Office of Public Insurance Counsel

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: One FTE - Information Specialist III Item Priority: 8 IT Component: Yes Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 02-01-01 Provide Consumers with Information to Make Informed Choices		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	75,600	79,380
2009	OTHER OPERATING EXPENSE	7,317	884
TOTAL, OBJECT OF EXPENSE		\$82,917	\$80,264
METHOD OF FINANCING:			
1	General Revenue Fund	82,917	80,264
TOTAL, METHOD OF FINANCING		\$82,917	\$80,264
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.00	1.00

DESCRIPTION / JUSTIFICATION:

While in the past OPIC was able to function with a communications FTE that covered both communications (including online content generation) and technology supervision and support, this is no longer the case. With agency growth, increases in the complexity of OPIC's computer systems and online applications, and an ever-increasing need for information security oversight, these positions need to be split. OPIC needs to add an Information Specialist position specifically dedicated to communications, social media content and online presence with a salary level of \$75,600 for that position.

EXTERNAL/INTERNAL FACTORS:

External: Available workforce and skill level of available workforce. Because other agencies and private businesses can offer better financial compensation than OPIC, the agency has had difficulty filling positions and anticipates difficulty retaining qualified employees on staff.

PCLS TRACKING KEY:

N/A

DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:

The IT component includes equipment and cloud-based services. The costs include the purchase of equipment (laptop, docking station, and monitor, and necessary software) on the first and fourth year (refresh), and annual licensing for cloud-based services.

IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?

CURRENT

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

CODE	DESCRIPTION	Excp 2026	Excp 2027
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STATUS:

This is an ongoing project, as current staff are furnished with these resources. Changes in IT costs are mostly attributed to increased pricing of laptops, which has doubled since the agency's last refresh.

OUTCOMES:

The addition of 5 FTEs will allow the staff to improve the performance of their key duties and increase outputs as more staff share the sizeable workloads. An increase in performance is expected for outcome measure Percentage of Texas Insurance Consumers Reached by OPIC Outreach Efforts.

OUTPUTS:

Affected programs include: Increase Consumer Choice, Education, and Information. An increase in performance for the following measures is expected: Output Measures: Number of Report Cards and Publications Produced and Distributed and Number of Public Presentations or Communications.

TYPE OF PROJECT

Daily Operations

ALTERNATIVE ANALYSIS

The alternative would be to increase the FTE cap by one but leave the FTE unfunded until a future date.

ESTIMATED IT COST

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$6,957	\$487	\$487	\$6,957	\$487	\$15,375

SCALABILITY

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FTE

2024	2025	2026	2027	2028	2029	2030
0.0	0.0	1.0	1.0	1.0	1.0	1.0

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Costs are for salary and refresh of the equipment for one FTE. Matching State contributions to ERS retirement, Social Security, Medicare, and Group Health Insurance are not included.

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ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$80,264	\$86,734	\$80,264

4.B. Exceptional Items Strategy Allocation Schedule
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DATE: **8/25/2024**
 TIME: **9:41:04PM**

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

Code	Description	Excp 2026	Excp 2027
Item Name: Restoration of excluded amounts in calculation of the 2026-27 GR/GR-D Limit.			
Allocation to Strategy: 1-1-1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	118,871	118,871
1002	OTHER PERSONNEL COSTS	0	0
TOTAL, OBJECT OF EXPENSE		\$118,871	\$118,871
METHOD OF FINANCING:			
1	General Revenue Fund	118,871	118,871
TOTAL, METHOD OF FINANCING		\$118,871	\$118,871

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

Code	Description	Excp 2026	Excp 2027
Item Name: Restoration of excluded amounts in calculation of the 2026-27 GR/GR-D Limit.			
Allocation to Strategy: 2-1-1 Provide Consumers with Information to Make Informed Choices			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	7,111	7,111
2001	PROFESSIONAL FEES AND SERVICES	100,000	0
TOTAL, OBJECT OF EXPENSE		\$107,111	\$7,111
METHOD OF FINANCING:			
1	General Revenue Fund	107,111	7,111
TOTAL, METHOD OF FINANCING		\$107,111	\$7,111

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/25/2024**
 TIME: **9:41:04PM**

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

Code	Description	Excp 2026	Excp 2027
Item Name: COPA Program - Research Specialist V			
Allocation to Strategy: 1-1-1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	86,100	90,405
2009	OTHER OPERATING EXPENSE	7,387	939
TOTAL, OBJECT OF EXPENSE		\$93,487	\$91,344
METHOD OF FINANCING:			
1	General Revenue Fund	93,487	91,344
TOTAL, METHOD OF FINANCING		\$93,487	\$91,344
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.0	1.0

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

Code	Description	Excp 2026	Excp 2027
Item Name: Rider 701 - Authority for the appropriation of COPA Receipts.			
Allocation to Strategy: 1-1-1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	200,000	200,000
TOTAL, OBJECT OF EXPENSE		\$200,000	\$200,000
METHOD OF FINANCING:			
1	General Revenue Fund	200,000	200,000
TOTAL, METHOD OF FINANCING		\$200,000	\$200,000

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

Code	Description	Excp 2026	Excp 2027
Item Name: Rider 703 - Appropriation of Unexpended Balances from FY 2025 to FY 2026			
Allocation to Strategy: 1-1-1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	300,000	0
TOTAL, OBJECT OF EXPENSE		\$300,000	\$0
METHOD OF FINANCING:			
777	Interagency Contracts	300,000	0
TOTAL, METHOD OF FINANCING		\$300,000	\$0

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

Code	Description	Excp 2026	Excp 2027
Item Name: Rider 703 - Appropriation of Unexpended Balances from FY 2025 to FY 2026			
Allocation to Strategy: 2-1-1 Provide Consumers with Information to Make Informed Choices			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	0	0
TOTAL, OBJECT OF EXPENSE		\$0	\$0
METHOD OF FINANCING:			
777	Interagency Contracts	0	0
TOTAL, METHOD OF FINANCING		\$0	\$0

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/25/2024**
 TIME: **9:41:04PM**

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

Code	Description	Excp 2026	Excp 2027
Item Name: Salary Increase - Recruitment and Retention of Professional Staff			
Allocation to Strategy: 1-1-1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	30,241	65,835
2009	OTHER OPERATING EXPENSE	151	329
TOTAL, OBJECT OF EXPENSE		\$30,392	\$66,164
METHOD OF FINANCING:			
1	General Revenue Fund	30,392	66,164
TOTAL, METHOD OF FINANCING		\$30,392	\$66,164

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

Code	Description	Excp 2026	Excp 2027
Item Name: Salary Increase - Recruitment and Retention of Professional Staff			
Allocation to Strategy: 2-1-1 Provide Consumers with Information to Make Informed Choices			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	5,070	13,969
2009	OTHER OPERATING EXPENSE	25	70
TOTAL, OBJECT OF EXPENSE		\$5,095	\$14,039
METHOD OF FINANCING:			
1	General Revenue Fund	5,095	14,039
TOTAL, METHOD OF FINANCING		\$5,095	\$14,039

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

Code	Description	Excp 2026	Excp 2027
Item Name: One FTE - Attorney IV			
Allocation to Strategy: 1-1-1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings			
OUTPUT MEASURES:			
<u>4</u>	Number of Rule Filings Reviewed to Determine Need for Analysis	5.00	5.00
<u>5</u>	Number of Rule Filings Analyzed to Determine Need for Revision	5.00	5.00
<u>6</u>	Number of Rule Proposals Changes Requested for Revision	5.00	5.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	124,607	130,837
2009	OTHER OPERATING EXPENSE	7,580	1,141
TOTAL, OBJECT OF EXPENSE		\$132,187	\$131,978
METHOD OF FINANCING:			
1	General Revenue Fund	132,187	131,978
TOTAL, METHOD OF FINANCING		\$132,187	\$131,978
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.0	1.0

4.B. Exceptional Items Strategy Allocation Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/25/2024**
 TIME: **9:41:04PM**

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

Code	Description	Excp 2026	Excp 2027
Item Name: Deputy Public Counsel Salary Increase			
Allocation to Strategy:		1-1-1	Participate in Rate/Rule/Form/Judicial/Legislative Proceedings
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	21,709	27,414
2009	OTHER OPERATING EXPENSE	109	137
TOTAL, OBJECT OF EXPENSE		\$21,818	\$27,551
METHOD OF FINANCING:			
1	General Revenue Fund	21,818	27,551
TOTAL, METHOD OF FINANCING		\$21,818	\$27,551

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

Code	Description	Excp 2026	Excp 2027
Item Name: Deputy Public Counsel Salary Increase			
Allocation to Strategy: 2-1-1 Provide Consumers with Information to Make Informed Choices			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	5,427	6,854
2009	OTHER OPERATING EXPENSE	27	34
TOTAL, OBJECT OF EXPENSE		\$5,454	\$6,888
METHOD OF FINANCING:			
1	General Revenue Fund	5,454	6,888
TOTAL, METHOD OF FINANCING		\$5,454	\$6,888
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

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

Code	Description	Excp 2026	Excp 2027
Item Name: One FTE - Information Specialist III			
Allocation to Strategy: 2-1-1 Provide Consumers with Information to Make Informed Choices			
STRATEGY IMPACT ON OUTCOME MEASURES:			
<u>1</u>	Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts	5.00%	5.00%
OUTPUT MEASURES:			
<u>2</u>	Number of Report Cards and Publications Produced & Distributed	1,000,000.00	1,000,000.00
<u>3</u>	Number of Public Presentations or Communications	150.00	150.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	75,600	79,380
2009	OTHER OPERATING EXPENSE	7,317	884
TOTAL, OBJECT OF EXPENSE		\$82,917	\$80,264
METHOD OF FINANCING:			
1	General Revenue Fund	82,917	80,264
TOTAL, METHOD OF FINANCING		\$82,917	\$80,264
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.0	1.0

4.C. Exceptional Items Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2024
TIME: 9:41:05PM

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

GOAL: 1 Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings
 OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect TX Insurance Consumers
 STRATEGY: 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings

Service Categories:
 Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Excp 2026	Excp 2027
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STRATEGY IMPACT ON OUTCOME MEASURES:

<u>1</u>	Percentage of Rate, Rule, & Policy Form Filings Participatory OPIC	40.00 %	40.00 %
<u>2</u>	% Rates/Rules/Policy Forms Changed As a Result of OPIC Participation	60.00 %	60.00 %
<u>3</u>	% Policy Form Changes As a Result of OPIC Participation	85.00 %	85.00 %

OUTPUT MEASURES:

<u>4</u>	Number of Rule Filings Reviewed to Determine Need for Analysis	15.00	15.00
<u>5</u>	Number of Rule Filings Analyzed to Determine Need for Revision	10.00	10.00
<u>6</u>	Number of Rule Proposals Changes Requested for Revision	5.00	5.00

OBJECTS OF EXPENSE:

1001	SALARIES AND WAGES	381,528	433,362
2009	OTHER OPERATING EXPENSE	515,227	202,546
Total, Objects of Expense		\$896,755	\$635,908

METHOD OF FINANCING:

1	General Revenue Fund	596,755	635,908
777	Interagency Contracts	300,000	0
Total, Method of Finance		\$896,755	\$635,908

FULL-TIME EQUIVALENT POSITIONS (FTE):

2.0	2.0
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restoration of excluded amounts in calculation of the 2026-27 GR/GR-D Limit.

COPA Program - Research Specialist V

4.C. Exceptional Items Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2024
TIME: 9:41:05PM

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

GOAL: 1 Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings

OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect TX Insurance Consumers

Service Categories:

STRATEGY: 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings

Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2026	Exp 2027
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Rider 701 - Authority for the appropriation of COPA Receipts.

Rider 703 - Appropriation of Unexpended Balances from FY 2025 to FY 2026

Salary Increase - Recruitment and Retention of Professional Staff

One FTE - Attorney IV

Deputy Public Counsel Salary Increase

4.C. Exceptional Items Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2024
TIME: 9:41:05PM

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

GOAL: 2 Increase Consumer Choice-Educate Texas Insurance Consumers

OBJECTIVE: 1 Contact Insurance Consumers Regarding Insurance Coverage/Markets

STRATEGY: 1 Provide Consumers with Information to Make Informed Choices

Service Categories:

Service: 21 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2026	Exp 2027
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STRATEGY IMPACT ON OUTCOME MEASURES:

<u>1</u> Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts	50.00 %	50.00 %
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	93,208	107,314
2001 PROFESSIONAL FEES AND SERVICES	100,000	0
2009 OTHER OPERATING EXPENSE	7,369	988
Total, Objects of Expense	\$200,577	\$108,302

METHOD OF FINANCING:

1 General Revenue Fund	200,577	108,302
Total, Method of Finance	\$200,577	\$108,302

FULL-TIME EQUIVALENT POSITIONS (FTE):

	1.0	1.0
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restoration of excluded amounts in calculation of the 2026-27 GR/GR-D Limit.

Rider 703 - Appropriation of Unexpended Balances from FY 2025 to FY 2026

Salary Increase - Recruitment and Retention of Professional Staff

Deputy Public Counsel Salary Increase

One FTE - Information Specialist III

6.A. Historically Underutilized Business Supporting Schedule
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/25/2024**
 Time: **9:41:05PM**

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year - HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2022			Total Expenditures FY 2022		HUB Expenditures FY 2023			Total Expenditures FY 2023	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	FY 2023		
11.2%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
21.1%	Building Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
32.9%	Special Trade	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
23.7%	Professional Services	23.7 %	100.0%	76.3%	\$1,980	\$1,980	23.7 %	100.0%	76.3%	\$2,200	\$2,200	
26.0%	Other Services	26.0 %	26.5%	0.5%	\$10,160	\$38,282	26.0 %	0.0%	-26.0%	\$0	\$15,668	
21.1%	Commodities	21.1 %	50.7%	29.6%	\$13,686	\$27,011	21.1 %	69.8%	48.7%	\$32,456	\$46,503	
	Total Expenditures		38.4%		\$25,826	\$67,273		53.8%		\$34,656	\$64,371	

B. Assessment of Attainment of HUB Procurement Goals

Attainment:

The agency attained or exceeded 3 of 3, or 100%, of the applicable agency HUB procurement goals in fiscal year 2022.

The agency attained or exceeded 2 of 3, or 66%, of the applicable agency HUB procurement goals in fiscal year 2023.

Applicability:

The following procurement categories are not applicable to OPIC:

- Heavy Construction
- Building Construction
- Special Trade

Factors Affecting Attainment:

The majority of expense related to Other Services involves contracted services with one woman owned (but non-HUB) vendor for the agency's website management and hosting, and services provided by sole source vendors.

C. Good-Faith Efforts to Increase HUB Participation

Outreach Efforts and Mentor-Protégé Programs:

The agency's outreach efforts were limited during the 2022-23 biennium due to the number of people and time dedicated to HUB outreach efforts.

6.A. Historically Underutilized Business Supporting Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/25/2024**
Time: **9:41:05PM**

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

HUB Program Staffing:

There are no full-time staff dedicated to increasing HUB participation. The agency's Chief of Operations serves as budget analyst, chief fiscal officer, accountant, human resources director, benefits coordinator, payroll officer, purchaser, HUB coordinator, and was responsible for the coordination, drafting, and review of contracts. Due to this person's impending retirement, purchasing, HUB coordination, and payroll continues to be transitioned to the agency's newly appointed Staff Services Officer.

Current and Future Good-Faith Efforts:

OPIC makes every effort to contract with HUB vendors whenever possible and practicable through the following practices :

A minimum of three bids/quotes are sought from HUB vendors.

If three bids/quotes are not received, an explanation is provided to the HUB Coordinator/Purchaser.

An explanation is given for the selection of vendor.

6.E. Estimated Revenue Collections Supporting Schedule
89th 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 2023	Exp 2024	Est 2025	Est 2026	Est 2027
<u>1</u> General Revenue Fund					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3205 Prop & Cas/Title/Other Assessment	335,105,943	353,804,702	3,300,000	3,300,000	3,300,000
Subtotal: Actual/Estimated Revenue	335,105,943	353,804,702	3,300,000	3,300,000	3,300,000
Total Available	\$335,105,943	\$353,804,702	\$3,300,000	\$3,300,000	\$3,300,000
DEDUCTIONS:					
Expended/Expected/Budgeted	(749,285)	(1,375,000)	(1,688,508)	(1,537,000)	(1,537,000)
State Paid EE State Retirement	(69,588)	(99,565)	(115,000)	(115,000)	(115,000)
State Paid EE Group Health Insurance	(66,475)	(86,351)	(110,000)	(110,000)	(110,000)
State Paid EE OASI Match	(56,092)	(78,374)	(100,000)	(100,000)	(100,000)
Total, Deductions	\$(941,440)	\$(1,639,290)	\$(2,013,508)	\$(1,862,000)	\$(1,862,000)
Ending Fund/Account Balance	\$334,164,503	\$352,165,412	\$1,286,492	\$1,438,000	\$1,438,000

REVENUE ASSUMPTIONS:

New Certificates of Public Advantage (COPA) Program: In August of 2024, Governor Abbott designated OPIC as the appropriate state agency to review applications for COPAs, and to supervise the activities for which those certificates are issued under Chapter 314A of the Texas Health & Safety Code. This program will require one FTE and will be funded by fees collected by the Health and Human Services Commission for this program. Year 1 fees are estimated at \$300,000 via an IAC. Year 2 and beyond estimated revenue is \$200,000 per fiscal year.

CONTACT PERSON:

Patricia C. Zapata

6.E. Estimated Revenue Collections Supporting Schedule
 89th 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 2023	Exp 2024	Est 2025	Est 2026	Est 2027
<u>36</u> Dept Ins Operating Acct					
Beginning Balance (Unencumbered):	\$191,670	\$191,670	\$191,670	\$191,670	\$191,670
Estimated Revenue:					
3203 Insurance Comp Maintenance Tax	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	\$383,340	\$383,340	\$383,340	\$383,340	\$383,340
DEDUCTIONS:					
Expended/Expected/Budgeted	(163,917)	(184,527)	(191,670)	(191,670)	(191,670)
Total, Deductions	\$(163,917)	\$(184,527)	\$(191,670)	\$(191,670)	\$(191,670)
Ending Fund/Account Balance	\$219,423	\$198,813	\$191,670	\$191,670	\$191,670

REVENUE ASSUMPTIONS:

These funds, currently totaling \$191,670 each fiscal year and set by statute, come from maintenance taxes and fees in TDI's Fund 36.

CONTACT PERSON:

Patricia C. Zapata