

Insurance Department

DOI37500

Position Summary

Account	Actual FY 12	Governor Estimated FY 13	Governor Recommended		Legislative	
			FY 14	FY 15	FY 14	FY 15
Permanent Full-Time - IF	141	159	159	159	159	159
Permanent Full-Time - OF	1	0	0	0	0	0

Budget Summary

Account	Actual FY 12	Governor Estimated FY 13	Governor Recommended		Legislative	
			FY 14	FY 15	FY 14	FY 15
Personal Services	12,530,292	13,642,468	14,060,426	14,712,168	14,060,426	14,712,168
Other Expenses	2,021,279	2,022,453	2,027,428	2,027,428	2,052,428	2,052,428
Equipment	73,855	40,060	119,750	52,600	119,750	52,600
Other Current Expenses						
Fringe Benefits	7,659,481	9,440,147	9,853,241	10,321,507	9,853,241	10,321,507
Indirect Overhead	59,593	472,973	602,646	629,765	602,646	629,765
GAAP Adjustments	0	0	142,818	165,870	142,818	165,870
Agency Total - Insurance Fund	22,344,501	25,618,101	26,806,309	27,909,338	26,831,309	27,934,338
Additional Funds Available						
Private Contributions	214,151	220,000	0	0	0	0
Agency Grand Total	22,558,652	25,838,101	26,806,309	27,909,338	26,831,309	27,934,338

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

Current Services

Adjust Funding to Reflect Wage & Compensation Related Costs

Personal Services	0	433,591	0	1,102,543	0	0	0	0
Fringe Benefits	0	413,094	0	881,360	0	0	0	0
Total - Insurance Fund	0	846,685	0	1,983,903	0	0	0	0

Governor

Provide funding of \$846,685 in FY 14 and \$1,983,903 in FY 15 to reflect current services wage-related adjustments such as annual increments, general wage increases, overtime, annualization, turnover, and other compensation-related adjustments.

Legislative

Same as Governor

Apply Inflationary Increases

Other Expenses	0	22,827	0	49,027	0	0	0	0
Total - Insurance Fund	0	22,827	0	49,027	0	0	0	0

Background

Applying inflationary factors to current year expenditures provides an estimate of the cost of continuing services into the next year.

Governor

Increase funding for Other Expenses by \$22,827 in FY 14 and an additional \$26,200 in FY 15 (for a cumulative total of \$49,027 in the second year) to reflect inflationary increases.

Legislative

Same as Governor

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

Provide Funding for Replacement Equipment

Equipment	0	79,690	0	12,540	0	0	0	0
Total - Insurance Fund	0	79,690	0	12,540	0	0	0	0

Governor

Provide \$79,690 in FY 14 and \$12,540 in FY 15 for replacement equipment in this agency.

Legislative

Same as Governor

Adjust Fringe Benefits and Indirect Overhead

Indirect Overhead	0	129,673	0	156,792	0	0	0	0
Total - Insurance Fund	0	129,673	0	156,792	0	0	0	0

Background

Non-General Fund agencies are budgeted directly for employee fringe benefits and indirect overhead.

Governor

Provide funding of \$129,673 in FY 14 and \$156,792 in FY 15 to ensure sufficient funds for fringe benefits and indirect overhead.

Legislative

Same as Governor

Provide Funding for GAAP

Nonfunctional - Change to Accruals	0	143,761	0	167,047	0	0	0	0
Total - Insurance Fund	0	143,761	0	167,047	0	0	0	0

Background

Each agency's budget will include a new line item account called "Nonfunctional - Change to Accruals". This line item represents the estimate of the difference between an agency's cash-basis budget amounts and the accrual-basis amounts that will be reflected under Generally Accepted Accounting Principles (GAAP). These funds will not be available for spending; in the aggregate they will prevent the state's GAAP deficit from growing.

Governor

Provide funding of \$143,761 in FY 14 and \$167,047 in FY 15 to reflect the implementation of GAAP in the budget.

Legislative

Same as Governor

Policy Revisions

Remove Funding for Salary Increases of Appointed Officials

Personal Services	0	(15,633)	0	(32,843)	0	0	0	0
Total - Insurance Fund	0	(15,633)	0	(32,843)	0	0	0	0

Governor

Reduce funding by \$15,633 in FY 14 and \$32,843 in FY 15 to reflect the elimination of salary increases for appointed officials.

Legislative

Same as Governor

Eliminate Inflationary Increases

Other Expenses	0	(17,827)	0	(44,027)	0	0	0	0
Total - Insurance Fund	0	(17,827)	0	(44,027)	0	0	0	0

Governor

Reduce Other Expenses by \$17,827 in FY 14 and \$44,027 in FY 15 to reflect the elimination of inflationary increases.

Legislative

Same as Governor

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

Adjust Funding for GAAP

Nonfunctional - Change to Accruals	0	(943)	0	(1,177)	0	0	0	0
Total - Insurance Fund	0	(943)	0	(1,177)	0	0	0	0

Governor

Reduce funding by \$943 in FY 14 and \$1,177 in FY 15 to reflect changes to GAAP accruals as a result of a policy change.

Legislative

Same as Governor

Transfer Funding - Centralize Courier & Mail Services in DAS

Other Expenses	0	(25)	0	(25)	0	0	0	0
Total - Insurance Fund	0	(25)	0	(25)	0	0	0	0

Governor

Transfer funding of \$25 in both FY 14 and FY 15 to reflect moving courier and central mail services to the Department of Administrative Services (DAS).

Legislative

Same as Governor

Provide Funding for Consumer Affairs

Other Expenses	0	25,000	0	25,000	0	25,000	0	25,000
Total - Insurance Fund	0	25,000	0	25,000	0	25,000	0	25,000

Background

The Consumer Affairs program investigates insurance related complaints to resolve disputes, recover consumers' funds and enforce insurance laws and regulations.

Legislative

Provide Other Expenses funding of \$25,000 in each year of the biennium for additional advertising and marketing of the Consumer Affairs program, based on Results Based Accountability reporting,

Totals

Budget Components	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Governor Estimated - IF	159	25,618,101	159	25,618,101	0	0	0	0
Current Services	0	1,222,636	0	2,369,309	0	0	0	0
Policy Revisions	0	(9,428)	0	(53,072)	0	25,000	0	25,000
Total Recommended - IF	159	26,831,309	159	27,934,338	0	25,000	0	25,000