

Agency Expenditure Summary

	<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>	
	<u>Approp</u>	<u>Actual</u>	<u>Approp</u>	<u>Estimate</u>	<u>Request</u>	<u>Gov Rec</u>
By Function						
Insurance Regulation	8,492,800	6,597,300	8,984,500	8,984,500	8,663,200	8,457,600
Division of State Fire Marshal	1,197,800	886,100	1,224,900	1,224,900	1,265,100	1,271,100
Total	9,690,600	7,483,400	10,209,400	10,209,400	9,928,300	9,728,700
By Fund Source						
Dedicated	9,013,200	6,998,700	9,531,200	9,531,200	9,246,800	9,045,900
Federal	677,400	484,700	678,200	678,200	681,500	682,800
Total	9,690,600	7,483,400	10,209,400	10,209,400	9,928,300	9,728,700
By Object						
Personnel Costs	6,001,200	5,340,800	6,041,300	6,041,300	6,114,300	5,728,000
Operating Expenditures	3,504,600	1,959,800	3,632,800	3,632,800	3,621,500	3,808,200
Capital Outlay	184,800	182,800	535,300	535,300	192,500	192,500
Trustee/Benefit Payments	0	0	0	0	0	0
Lump Sum	0	0	0	0	0	0
Total	9,690,600	7,483,400	10,209,400	10,209,400	9,928,300	9,728,700
FTP Positions	76.50	76.50	76.50	76.50	76.50	71.50

Executive Budget Detail

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/Benefit	Lump Sum	Total Gov Rec
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Description: The Insurance Regulation Division's primary function is to regulate the insurance industry in Idaho. The regulation activities are carried out by three bureaus: the Company Activities Bureau, the Consumer Services Bureau, and the Product Review Bureau. The Company Activities Bureau monitors the solvency of insurers domiciled in Idaho, issues licenses, collects and audits insurance premium tax returns, regulates title agencies, and performs market conduct analyses. The Consumer Services Bureau focuses on consumer and industry concerns and assists stakeholders on insurance contracts and code violations. Additionally, the volunteer-driven Senior Health Insurance Benefit Advisor (SHIBA) Program is housed in this bureau and provides information and counseling on Medicare coverage. Lastly, the Product Review Bureau reviews filed rates and forms and reviews and certifies health plans to ensure that products meet the Qualified Health Plan (QHP) standards.

FY 2019 Original Appropriation

3.00 FY 2019 Original Appropriation: SB 1333

Dedicated	62.65	4,957,200	2,898,400	450,700	0	0	8,306,300
Federal	3.85	280,100	398,100	0	0	0	678,200
Total	66.50	5,237,300	3,296,500	450,700	0	0	8,984,500

FY 2019 Total Appropriation

Dedicated	62.65	4,957,200	2,898,400	450,700	0	0	8,306,300
Federal	3.85	280,100	398,100	0	0	0	678,200
Total	66.50	5,237,300	3,296,500	450,700	0	0	8,984,500

FY 2019 Estimated Expenditures

Dedicated	62.65	4,957,200	2,898,400	450,700	0	0	8,306,300
Federal	3.85	280,100	398,100	0	0	0	678,200
Total	66.50	5,237,300	3,296,500	450,700	0	0	8,984,500

Base Adjustments

8.41 Removal of One-Time Expenditures: This decision unit removes one-time appropriation for FY 2019.

Dedicated	0.00	0	0	(450,700)	0	0	(450,700)
Total	0.00	0	0	(450,700)	0	0	(450,700)

FY 2020 Base

Dedicated	62.65	4,957,200	2,898,400	0	0	0	7,855,600
Federal	3.85	280,100	398,100	0	0	0	678,200
Total	66.50	5,237,300	3,296,500	0	0	0	8,533,800

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
Program Maintenance							
10.11 Change in Health Benefit Costs: This decision unit reflects a one-time reduction in the employer health benefit cost based on the November Milliman projection. This reduction results from a significant buildup in medical reserve funding due to the state experiencing fewer claims than expected and also the 2019 moratorium on the Health Insurer Fee. To address this overfunding of reserves, the Governor proposes using reserve funds for a portion of the employer share of health costs.							
Dedicated	0.00	(39,600)	0	0	0	0	(39,600)
Federal	0.00	(2,400)	0	0	0	0	(2,400)
Total	0.00	(42,000)	0	0	0	0	(42,000)
10.12 Change in Variable Benefit Costs: This decision unit reflects a six-month holiday for the fee agencies pay to the Division of Human Resources. Due to past vacancies within the division, a cash balance has accrued. To avoid paying a penalty to the federal government, the Governor proposes a six-month fee holiday to decrease the cash balance.							
Dedicated	0.00	10,800	0	0	0	0	10,800
Federal	0.00	400	0	0	0	0	400
Total	0.00	11,200	0	0	0	0	11,200
10.31 Repair, Replacement Items/Alterations: The Governor recommends \$83,000 in one-time dedicated fund spending authority for repair and replacement items.							
Dedicated	0.00	0	0	83,000	0	0	83,000
Total	0.00	0	0	83,000	0	0	83,000
10.41 Attorney General Fees: Adjustments to costs of legal services provided by the Office of the Attorney General are reflected here.							
Dedicated	0.00	0	(51,500)	0	0	0	(51,500)
Total	0.00	0	(51,500)	0	0	0	(51,500)
10.44 Building Services Space Charge: Adjustments to Capitol Mall rent are reflected here.							
Dedicated	0.00	0	36,700	0	0	0	36,700
Total	0.00	0	36,700	0	0	0	36,700
10.45 Risk Management Cost Increases: Adjustments to costs of insurance coverage as projected by a third-party actuary and billed by the Office of Insurance Management are reflected here. The state is experiencing an increase in claims, which has resulted in the need for a substantial increase in reserves to cover potential costs.							
Dedicated	0.00	0	(4,500)	0	0	0	(4,500)
Total	0.00	0	(4,500)	0	0	0	(4,500)
10.46 Controller's Fee Charge: Adjustments to the costs of statewide accounting and statewide payroll processing provided by the Office of the State Controller are reflected here.							
Dedicated	0.00	0	2,100	0	0	0	2,100
Total	0.00	0	2,100	0	0	0	2,100
10.47 Treasurer's Fee Charge: Adjustments to the costs of cash management and warrant processing by the Office of the State Treasurer are reflected here.							
Dedicated	0.00	0	200	0	0	0	200
Total	0.00	0	200	0	0	0	200

Executive Budget Detail

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/Benefit	Lump Sum	Total Gov Rec
10.61 Salary Multiplier - Regular Employees: The Governor recommends a 3% Change in Employee Compensation to be distributed by merit.							
Dedicated	0.00	127,200	0	0	0	0	127,200
Federal	0.00	6,600	0	0	0	0	6,600
Total	0.00	133,800	0	0	0	0	133,800
10.62 Salary Multiplier - Group and Temporary: The Governor does not recommend a Change in Employee Compensation for group and temporary employees.							
Dedicated	0.00	0	0	0	0	0	0
Federal	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0

FY 2020 Total Maintenance

Dedicated	62.65	5,055,600	2,881,400	83,000	0	0	8,020,000
Federal	3.85	284,700	398,100	0	0	0	682,800
Total	66.50	5,340,300	3,279,500	83,000	0	0	8,702,800

Line Items

12.61 State Network Core Equipment Replacement : The Governor recommends replacement of the state's core network equipment. The Idaho State Network supports all state agencies, and the current core network equipment is reaching the end of its production life cycle. To ensure reliable network operations and avoid significant service interruptions, replacement is necessary. This decision unit represents the agency share of the one-time replacement costs.							
Dedicated	0.00	0	7,100	0	0	0	7,100
Total	0.00	0	7,100	0	0	0	7,100

12.63 Information Technology Modernization Initiative: The Governor recommends consolidating, streamlining, and improving information technology operations across the state. This will allow agencies to become consumers, not providers, of information technology services, allowing them to focus more on core missions. Ultimately, modernization will enhance security, increase functionality, eliminate waste and duplication, and minimize risk to application support, while also driving down cost increases.

The first phase of the initiative includes adding the Department of Finance, Division of Building Safety, Public Utilities Commission, Tax Commission, Department of Insurance, Industrial Commission, Division of Vocational Rehabilitation, and Division of Veterans Services to the agencies currently supported by the Office of Information Technology Services.

This decision unit represents a reduction of information technology staff at the Department of Insurance and Operating Expenditures for the anticipated cost of support from the Office of Information Technology Services.

Dedicated	(5.00)	(431,900)	179,600	0	0	0	(252,300)
Total	(5.00)	(431,900)	179,600	0	0	0	(252,300)

FY 2020 Gov's Recommendation

Dedicated	57.65	4,623,700	3,068,100	83,000	0	0	7,774,800
Federal	3.85	284,700	398,100	0	0	0	682,800
Total	61.50	4,908,400	3,466,200	83,000	0	0	8,457,600

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/ Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
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Description: The State Fire Marshal Division participates in and coordinates an integrated statewide system designed to protect human life from fire and explosions through fire prevention and the investigation of fires. The program involves fire prevention activities, arson investigations, and the operation of various statistical systems, including the Idaho Fire Incident Reporting System.

FY 2019 Original Appropriation

3.00 :

Dedicated	10.00	804,000	336,300	84,600	0	0	1,224,900
Total	10.00	804,000	336,300	84,600	0	0	1,224,900

FY 2019 Total Appropriation

Dedicated	10.00	804,000	336,300	84,600	0	0	1,224,900
Total	10.00	804,000	336,300	84,600	0	0	1,224,900

FY 2019 Estimated Expenditures

Dedicated	10.00	804,000	336,300	84,600	0	0	1,224,900
Total	10.00	804,000	336,300	84,600	0	0	1,224,900

Base Adjustments

8.41 Removal of One-Time Expenditures: This decision unit removes one-time appropriation for FY 2019.

Dedicated	0.00	0	0	(84,600)	0	0	(84,600)
Total	0.00	0	0	(84,600)	0	0	(84,600)

FY 2020 Base

Dedicated	10.00	804,000	336,300	0	0	0	1,140,300
Total	10.00	804,000	336,300	0	0	0	1,140,300

Program Maintenance

10.11 Change in Health Benefit Costs: This decision unit reflects a one-time reduction in the employer health benefit cost based on the November Milliman projection. This reduction results from a significant buildup in medical reserve funding due to the state experiencing fewer claims than expected and also the 2019 moratorium on the Health Insurer Fee. To address this overfunding of reserves, the Governor proposes using reserve funds for a portion of the employer share of health costs.

Dedicated	0.00	(6,300)	0	0	0	0	(6,300)
Total	0.00	(6,300)	0	0	0	0	(6,300)

10.12 Change in Variable Benefit Costs: This decision unit reflects a six-month holiday for the fee agencies pay to the Division of Human Resources. Due to past vacancies within the division, a cash balance has accrued. To avoid paying a penalty to the federal government, the Governor proposes a six-month fee holiday to decrease the cash balance.

Dedicated	0.00	1,500	0	0	0	0	1,500
Total	0.00	1,500	0	0	0	0	1,500

Executive Budget Detail

Insurance, Department of
Division of State Fire Marshal

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
10.31 Repair, Replacement Items/Alterations: The Governor recommends \$109,500 in one-time dedicated fund spending authority for repair and replacement items.							
Dedicated	0.00	0	0	109,500	0	0	109,500
Total	0.00	0	0	109,500	0	0	109,500
10.44 Building Services Space Charge: Adjustments to Capitol Mall rent are reflected here.							
Dedicated	0.00	0	5,500	0	0	0	5,500
Total	0.00	0	5,500	0	0	0	5,500
10.45 Risk Management Cost Increases: Adjustments to costs of insurance coverage as projected by a third-party actuary and billed by the Office of Insurance Management are reflected here. The state is experiencing an increase in claims, which has resulted in the need for a substantial increase in reserves to cover potential costs.							
Dedicated	0.00	0	100	0	0	0	100
Total	0.00	0	100	0	0	0	100
10.46 Controller's Fee Charge: Adjustments to the costs of statewide accounting and statewide payroll processing provided by the Office of the State Controller are reflected here.							
Dedicated	0.00	0	100	0	0	0	100
Total	0.00	0	100	0	0	0	100
10.61 Salary Multiplier - Regular Employees: The Governor recommends a 3% Change in Employee Compensation to be distributed by merit.							
Dedicated	0.00	20,400	0	0	0	0	20,400
Total	0.00	20,400	0	0	0	0	20,400

FY 2020 Total Maintenance

Dedicated	10.00	819,600	342,000	109,500	0	0	1,271,100
Total	10.00	819,600	342,000	109,500	0	0	1,271,100

FY 2020 Gov's Recommendation

Dedicated	10.00	819,600	342,000	109,500	0	0	1,271,100
Total	10.00	819,600	342,000	109,500	0	0	1,271,100