

Agency Expenditure Summary

	<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>	
	<u>Approp</u>	<u>Actual</u>	<u>Approp</u>	<u>Estimate</u>	<u>Request</u>	<u>Gov Rec</u>
By Function						
Insurance Regulation	8,419,600	7,562,700	8,492,800	8,492,800	8,889,000	8,984,500
Division of State Fire Marshal	1,137,300	955,800	1,197,800	1,197,800	1,210,300	1,224,900
Total	9,556,900	8,518,500	9,690,600	9,690,600	10,099,300	10,209,400
By Fund Source						
Dedicated	8,860,300	8,024,100	9,013,200	9,013,200	9,425,800	9,531,200
Federal	696,600	494,400	677,400	677,400	673,500	678,200
Total	9,556,900	8,518,500	9,690,600	9,690,600	10,099,300	10,209,400
By Object						
Personnel Costs	5,693,200	5,226,500	6,001,200	6,001,200	5,932,700	6,041,300
Operating Expenditures	3,555,800	2,972,200	3,504,600	3,504,600	3,631,300	3,632,800
Capital Outlay	307,900	319,800	184,800	184,800	535,300	535,300
Trustee/Benefit Payments	0	0	0	0	0	0
Lump Sum	0	0	0	0	0	0
Total	9,556,900	8,518,500	9,690,600	9,690,600	10,099,300	10,209,400
FTP Positions	73.50	73.50	76.50	76.50	76.50	76.50

	<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 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 2018 Original Appropriation

3.00 FY 2018 Original Appropriation:

Dedicated	62.65	4,923,600	2,770,300	121,500	0	0	7,815,400
Federal	3.85	279,300	398,100	0	0	0	677,400
Total	66.50	5,202,900	3,168,400	121,500	0	0	8,492,800

FY 2018 Total Appropriation

Dedicated	62.65	4,923,600	2,770,300	121,500	0	0	7,815,400
Federal	3.85	279,300	398,100	0	0	0	677,400
Total	66.50	5,202,900	3,168,400	121,500	0	0	8,492,800

FY 2018 Estimated Expenditures

Dedicated	62.65	4,923,600	2,770,300	121,500	0	0	7,815,400
Federal	3.85	279,300	398,100	0	0	0	677,400
Total	66.50	5,202,900	3,168,400	121,500	0	0	8,492,800

Base Adjustments

8.41 Removal of One-Time Expenditures: This decision unit removes one-time appropriation for FY 2018.

Dedicated	0.00	0	0	(121,500)	0	0	(121,500)
Total	0.00	0	0	(121,500)	0	0	(121,500)

FY 2019 Base

Dedicated	62.65	4,923,600	2,770,300	0	0	0	7,693,900
Federal	3.85	279,300	398,100	0	0	0	677,400
Total	66.50	5,202,900	3,168,400	0	0	0	8,371,300

	<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, which showed a decrease from the June estimate. Employer costs are projected to return to the current level in FY 2020.						
	While the total cost of the plan continues to grow, prices and utilization are growing at a slower rate than projected for FY 2018. This has led to growth in reserves. To address this one-time overfunding of reserves, the Governor proposes a transfer of \$13,140,000 from the Group Insurance Account to the General Fund. These funds were transferred from the General Fund in FY 2016 to maintain the contractually required minimum and can now be repaid. In addition, the Governor proposes using reserve funds for a two-month premium holiday for both the employer and the employee. This will reduce overfunding of reserves and reward employees for their prudent use of plan benefits.						
Dedicated	0.00	(91,700)	0	0	0	0	(91,700)
Federal	0.00	(5,600)	0	0	0	0	(5,600)
Total	0.00	(97,300)	0	0	0	0	(97,300)
10.12	Change in Variable Benefit Costs: This decision unit reflects the scheduled changes in the employer variable benefits cost, including the October 2017 vote of the Public Employee Retirement System of Idaho Retirement Board to delay the scheduled employer contribution increase.						
Dedicated	0.00	3,100	0	0	0	0	3,100
Federal	0.00	100	0	0	0	0	100
Total	0.00	3,200	0	0	0	0	3,200
10.31	Repair, Replacement Items/Alterations: The Governor recommends \$450,700 in dedicated fund spending authority for repair and replacement items.						
Dedicated	0.00	0	0	450,700	0	0	450,700
Total	0.00	0	0	450,700	0	0	450,700
10.41	Attorney General Fees: Adjustments to the costs of legal services provided by the Office of the Attorney General are reflected here.						
Dedicated	0.00	0	125,700	0	0	0	125,700
Total	0.00	0	125,700	0	0	0	125,700
10.43	Legislative Audits: Adjustments to legislative audit billings are reflected here.						
Dedicated	0.00	0	1,500	0	0	0	1,500
Total	0.00	0	1,500	0	0	0	1,500
10.45	Risk Management Cost Increases: Adjustments to the costs of insurance coverage as projected by a third-party actuary and billed by the Office of Insurance Management are reflected here.						
Dedicated	0.00	0	500	0	0	0	500
Total	0.00	0	500	0	0	0	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	500	0	0	0	500
Total	0.00	0	500	0	0	0	500

Executive Budget Detail

Insurance, Department of
Insurance Regulation

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/Benefit	Lump Sum	Total Gov Rec
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	(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% increase in employee compensation, to be distributed on a merit basis.							
Dedicated	0.00	122,200	0	0	0	0	122,200
Federal	0.00	6,300	0	0	0	0	6,300
Total	0.00	128,500	0	0	0	0	128,500

10.62 Salary Multiplier - Group and Temporary: The Governor does not recommend a compensation increase for group and temporary positions.							
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 2019 Total Maintenance

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 Gov's Recommendation

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

	<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 2018 Original Appropriation

3.00 FY 2018 Original Appropriation:

Dedicated	10.00	798,300	336,200	63,300	0	0	1,197,800
Total	10.00	798,300	336,200	63,300	0	0	1,197,800

FY 2018 Total Appropriation

Dedicated	10.00	798,300	336,200	63,300	0	0	1,197,800
Total	10.00	798,300	336,200	63,300	0	0	1,197,800

FY 2018 Estimated Expenditures

Dedicated	10.00	798,300	336,200	63,300	0	0	1,197,800
Total	10.00	798,300	336,200	63,300	0	0	1,197,800

Base Adjustments

8.41 Removal of One-Time Expenditures: This decision unit removes one-time appropriation for FY 2018.

Dedicated	0.00	0	0	(63,300)	0	0	(63,300)
Total	0.00	0	0	(63,300)	0	0	(63,300)

FY 2019 Base

Dedicated	10.00	798,300	336,200	0	0	0	1,134,500
Total	10.00	798,300	336,200	0	0	0	1,134,500

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, which showed a decrease from the June estimate. Employer costs are projected to return to the current level in FY 2020.

While the total cost of the plan continues to grow, prices and utilization are growing at a slower rate than projected for FY 2018. This has led to growth in reserves. To address this one-time overfunding of reserves, the Governor proposes a transfer of \$13,140,000 from the Group Insurance Account to the General Fund. These funds were transferred from the General Fund in FY 2016 to maintain the contractually required minimum and can now be repaid. In addition, the Governor proposes using reserve funds for a two-month premium holiday for both the employer and the employee. This will reduce overfunding of reserves and reward employees for their prudent use of plan benefits.

Dedicated	0.00	(14,500)	0	0	0	0	(14,500)
Total	0.00	(14,500)	0	0	0	0	(14,500)

	<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>
10.12 Change in Variable Benefit Costs: This decision unit reflects the scheduled changes in the employer variable benefits cost, including the October 2017 vote of the Public Employee Retirement System of Idaho Retirement Board to delay the scheduled employer contribution increase.							
Dedicated	0.00	400	0	0	0	0	400
Total	0.00	400	0	0	0	0	400
10.31 Repair, Replacement Items/Alterations: The Governor recommends \$84,600 in dedicated fund spending authority for repair and replacement items.							
Dedicated	0.00	0	0	84,600	0	0	84,600
Total	0.00	0	0	84,600	0	0	84,600
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% increase in employee compensation, to be distributed on a merit basis.							
Dedicated	0.00	19,800	0	0	0	0	19,800
Total	0.00	19,800	0	0	0	0	19,800

FY 2019 Total Maintenance

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 Gov's Recommendation

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