

**INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION
2016 ADOPTED BUDGET
DETAIL REVENUE AND EXPENSES**

Description	2015					2016			Increase (Decrease) from 2015 Budget	%	Increase (Decrease) from 2015 Projected	%
	2014 Actual	2015 Budget	6/30/2015 Actual	12/31/2015 Projected	2015 Projected Variance	2016 Budget	2016 Fiscal Impact Statements	Total 2016 Budget				
Filing Fees	\$ 751,327	\$ 882,875	\$ 365,675	\$ 877,475	\$ (5,400)	\$ 1,120,250		\$ 1,120,250	\$ 237,375	26.89%	\$ 242,775	27.67%
Annual Registration Fees	798,950	877,875	741,000	788,500	(89,375)	899,750		899,750	21,875	2.49%	111,250	14.11%
Interest Income	56	-	36	36	36	-		-	-	-	(36)	(100.00%)
Total Revenues	1,550,333	1,760,750	1,106,711	1,666,011	(94,739)	2,020,000	-	2,020,000	259,250	14.72%	353,989	21.25%
Salaries, Taxes, and Benefits (1)	633,764	871,918	351,453	875,602	3,684	1,097,654	350,037	1,447,691	225,736	25.89%	222,052	25.36%
Professional Services (2)	768,487	795,066	378,507	736,754	(58,312)	696,254	(272,161)	424,093	(98,812)	(12.43%)	(40,500)	(5.50%)
Travel (3)	64,349	111,407	38,261	90,623	(20,784)	119,678		119,678	8,271	7.42%	29,055	32.06%
Rental and Maintenance (4)	7,927	10,341	3,453	6,153	(4,188)	7,997		7,997	(2,344)	(22.67%)	1,844	29.96%
Depreciation (5)	442	-	-	-	-	-		-	-	#DIV/0!	-	#DIV/0!
Interest Expense (6)	68,592	70,151	34,878	70,151	(0)	71,746		71,746	1,595	2.27%	1,595	2.27%
Insurance Expense (7)	12,351	13,440	6,535	15,340	1,900	17,610		17,610	4,170	31.03%	2,270	14.80%
Administrative Expenses (8)	16,413	20,636	11,192	21,647	1,011	21,791	2,399	24,190	1,155	5.60%	144	0.67%
Meetings and General Training (9)	6,410	9,588	2,978	8,313	(1,275)	10,651		10,651	1,063	11.09%	2,338	28.12%
Total Operating Expenses	1,578,735	1,902,547	827,257	1,824,584	(77,963)	2,043,381	80,275	2,123,656	140,834	7.40%	218,798	11.99%
Revenues Over (Under) Expenses	\$ (28,402)	\$ (141,797)	\$ 279,453	\$ (158,573)	\$ (16,776)	\$ (23,381)	\$ (80,275)	\$ (103,656)	\$ 118,416	(83.51%)	\$ 135,192	(85.26%)

(1) The expenses included in this line are found on pages: E1: Salaries, E4: Payroll Taxes, E5: Employee Benefits, and E6: Employee Development.

(2) The expenses included in this line are found on page E7: Professional Services.

(3) The expenses included in this line are found on E8: Travel.

(4) The expenses included in this line are found on page E9: Occupancy and page E11: Equipment Rental and Maintenance.

(5) The expenses included in this line are found on page E12: Depreciation.

(6) The expenses included in this line are found on page E13: Interest Expense.

(7) The expenses included in this line are found on page E14: Insurance.

(8) The expenses included in this line are found on page E15: Office Services and E16: Other Expenses.

(9) The expenses included in this line are found on page E:10 Meetings.

2016 BUDGET ANALYSIS

BUDGET ITEM: Revenues

ITEM DESCRIPTION: Includes the revenues derived from (1) compact filings, (2) Annual Registration Fees, and (3) interest income.

Description	2014 Actual	2015 Budget	6/30/15 Actual	12/31/15 Projected	2016 Budget	Increase (Decrease) from 2015 Budget	Percentage
Filing Fees (1)	\$ 751,327	\$ 882,875	\$ 365,675	\$ 877,475	\$ 1,120,250	\$ 237,375	26.89%
Annual Registration Fees (2)	798,950	877,875	741,000	788,500	899,750	21,875	2.49%
Interest Income (3)	56	-	36	36	-	-	0.00%
Total	\$ 1,550,333	\$ 1,760,750	\$ 1,106,711	\$ 1,666,011	\$ 2,020,000	\$ 259,250	14.72%

(1) The IIPRC charges a filing fee for all product filing submissions submitted across all product lines. The fee that is collected for each product filing submission is based on several factors. The first is whether or not the filing requires an actuarial review as determined by the submission requirements for the applicable Uniform Standards. The second factor is whether or not the filing company's premium volume is greater than \$50 million based on the Schedule T-Part 2 of the Annual Statement filed with the NAIC for the reporting year prior to the current annual registration period. The last factor is whether or not the filing company is a registered with the IIPRC as a Regional Filer per the definition of Regional Filer in the IIPRC Terms and Procedures for Product Filings. The charts below detail volume expected for each of the filing fee categories (fees for amended and other miscellaneous filing fees are not specifically listed). The Finance Committee has recommended an increase in the per Filing Fee amount which is reflected in the 2016 Budget line above and the chart below.

	<u>Companies w/ More than \$50M Premium Volume</u>		<u>Companies w/ Less than \$50M Premium Volume</u>	
	Fee	Budget Volume	Fee	Budget Volume
<u>Submissions w/ Actuarial Review</u>	\$ 1,250	485	\$ 625	92
<u>Submissions w/o Actuarial Review</u>	\$ 625	524	\$ 300	53
Regional Filer				
<u>Submissions w/ Actuarial Review</u>	\$ 600	21	\$ 300	8
<u>Submissions w/o Actuarial</u>	\$ 300	20	\$ 150	8

(2) The IIPRC charges an annual registration fee for using the IIPRC as a means of self-generating revenue to fund its product operations. The amount of the annual registration fee is based on the aforementioned factors as with the filing fees. All Registration fees are prorated in half for registrations submitted on July 1 or after. The charts below detail volume expected for each of the filing fee categories.

	<u>Companies w/ More than \$50M Premium Volume</u>		<u>Companies w/ Less than \$50M Premium Volume</u>	
	Fee	Budget Volume	Fee	Budget Volume
<u>Annual Registration Fee Jan 1 or before</u>	\$ 5,000	150	\$ 2,500	24
<u>Annual Registration Fee July 1 or after</u>	\$ 2,500	19	\$ 1,250	5
<u>Regional Filer Fee Jan 1 or before</u>	\$ 2,500	5	\$ 1,250	3
<u>Regional Filer Fee July 1 or after</u>	\$ 1,250	4	\$ 625	2
<u>Update-Only Registration</u>	\$ 1,500	8	\$ 750	2

(3) Interest income is earned on IIPRC's account and is dependent upon cash flow from revenues and lines of credit. Significant declines in the overall financial markets have affected interest earned.

2016 BUDGET ANALYSIS

BUDGET ITEM: Salaries

ITEM DESCRIPTION: Includes salary and overtime for all IIPRC employees.

<u>Description</u>	2014	2015	6/30/15	12/31/15	2016	Increase (Decrease) from	<u>Percentage</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>2015 Budget</u>	
Salaries-Existing Employees (1)	\$ 488,493	\$ 666,549	\$ 265,904	\$ 698,548	\$ 872,261	\$ 205,712	30.86%
Salaries-New Employees	-	-	-	-	302,161	302,161	0.00%
Turnover Factor	-	(6,119)	-	-	(3,660)	2,459	(40.19%)
Overtime (2)	1,311	-	642	642	-	-	0.00%
Total	\$ 489,804	\$ 660,430	\$ 266,546	\$ 699,190	\$1,170,762	\$ 510,332	77.27%

(1) The IIPRC currently has eight full-time employees: Executive Director, Assistant Director of Product Operations, Senior Operations Manager, Sr. Administrative Coordinator, Sr. Intake Coordinator, two Product Reviewers and an Actuary. The IIPRC had three new hires in 2015 – one position which was reallocated from a consultant under Professional Services to an employee under Salaries. The two product positions were filled in May and the actuary position in July at different salaries than originally budgeted based on the candidate pool and level of experience. The 2016 Budget amount reflects the total salaries of all current employees including the three new hires for the full twelve month period. The 2016 budget also includes an assumption of a combined 2.7% salary adjustment for cost-of-living and merit-based increases. The increase between the 2015 Budget and the 12/31/15 Projected is primarily attributed to the termination of a deferred compensation benefit for the Executive Director that was reflected in an increase in salary for this position. In a separate fiscal request, the IIPRC Office requests converting two long-time, full-time consultants to full-time employees and creating a new position for a part-time Administrative Assistant which if approved, will increase the amount of the Salary and related line items and reduce the Professional Services line.

(2) The IIPRC has two non-exempt employees and does not anticipate scheduled overtime will be needed in 2016.

2016 BUDGET ANALYSIS

BUDGET ITEM: Payroll Taxes

ITEM DESCRIPTION: FICA, unemployment compensation, and FUTA costs incurred for all IIPRC employees and interns.

<u>Description</u>	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>6/30/15 Actual</u>	<u>12/31/15 Projected</u>	<u>2016 Budget</u>	<u>Increase (Decrease) from 2015 Budget</u>	<u>Percentage</u>
FICA (1)	\$ 32,190	\$ 46,097	\$ 20,340	\$ 47,858	\$ 77,691	\$ 31,594	68.54%
FICA Turnover (2)	-	(409)	-	-	(239)	170	(41.56%)
Unemployment Compensation (3)	1,258	1,802	1,441	1,693	3,690	1,888	104.77%
Total	\$ 33,448	\$ 47,490	\$ 21,781	\$ 49,551	\$ 81,142	\$ 33,652	70.86%

(1) FICA is related to the projected FICA wage base and total salaries projected for the IIPRC employees. The increase in 2016 is primarily attributed to the three new positions retained mid-year 2015 which will be fully incurred in 2016.

(2) The turnover factor that is applied to salaries is also applied to the taxes related to those salaries.

(3) Unemployment compensation has been budgeted on the first \$11,000 of each individual salary.

2016 BUDGET ANALYSIS

BUDGET ITEM: Employee Benefits

ITEM DESCRIPTION: Includes all pension, life and health insurance costs paid by IIPRC for its employees.

<u>Description</u>	2014		2015		6/30/15	12/31/15	2016	Increase (Decrease) from	<u>Percentage</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>2015 Budget</u>	
Pension (1)	\$ 45,080	\$ 48,678	\$ 13,337	\$ 27,713	\$ 40,292	\$ (8,386)	(17.23%)		
Health Benefits (2)	56,104	105,515	33,230	90,644	143,001	37,486	35.53%		
Group Life and Disability (3)	2,722	3,915	1,460	3,104	4,439	524	13.39%		
Employee Relations (4)	6,256	3,600	1,205	4,430	4,300	700	19.44%		
Total	\$ 110,162	\$ 161,708	\$ 49,232	\$ 125,891	\$ 192,032	\$ 30,324	18.75%		

(1) A 457 plan and 401(a) plan is in effect for IIPRC employees. In 2016, the 2015 new hires will be eligible for IIPRC matching contribution under these plans which contributes to an increase in the budget line. The expiration of the supplemental retirement plan for the Executive Director as of June 30, 2014 is reflected in both the 2015 and 2016 budget lines above.

(2) In order to leverage the cost-savings and broader coverage options offered through larger groups, the IIPRC utilizes the NAIC employee benefit plan types pursuant to the Services Agreement. The IIPRC covers a portion of its employees premiums as an employee benefit. The increase in this particular expense item is due to the increase of employees as well as an increase in premiums for 2016.

(3) In order to leverage the cost-savings and broader coverage options offered through larger groups, the IIPRC utilizes the NAIC employee benefit plan types pursuant to the Services Agreement. The IIPRC covers a portion of its employees premiums as an employee benefit. The IIPRC has budgeted for eight full-time employees in 2016.

(4) The IIPRC budget includes minimal funding for employee and team recognition as well as related expenses associated with in-person team meetings.

2016 BUDGET ANALYSIS

BUDGET ITEM: Employee Development

ITEM DESCRIPTION: Includes fees for seminars, training courses and professional association memberships paid by IIPRC.

<u>Description</u>	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>6/30/15 Actual</u>	<u>Projected 12/31/15</u>	<u>2016 Budget</u>	<u>Increase (Decrease) from 2015 Budget</u>	<u>Percentage</u>
Professional Association Dues (1)	\$ 350	\$ 2,290	\$ 675	\$ 970	\$ 3,755	\$ 1,465	63.97%
Education Reimbursements	-	-	-	-	-	-	#DIV/0!
Professional Training (2)	-	-	-	-	-	-	#DIV/0!
Total	\$ 350	\$ 2,290	\$ 675	\$ 970	\$ 3,755	\$ 1,465	63.97%

(1) Professional association dues represent employees membership in various professional associations, such as bar association dues and the Association of Insurance Compliance Professionals (AICP) membership for IIPRC employees. The increase in this line reflects the dues associated with the new employees participation in professional associations.

2016 BUDGET ANALYSIS

BUDGET ITEM: Professional Services

ITEM DESCRIPTION: Fees paid to outside resources for information systems, consulting service to process product filings, legal services consultants, and cash management and payroll services.

Description	2014 Actual	2015 Budget	6/30/15 Actual	12/31/15 Projected	2016 Budget	Increase (Decrease)	Percentage
						from 2015 Budget	
Professional Services-Computer (1)	\$ 25,000	\$ 37,500	\$ 12,500	\$ 25,000	\$ 25,000	\$ (12,500)	(33.33%)
Other Professional Services (2)	721,663	731,416	361,445	683,343	358,861	(372,555)	(50.94%)
Legal (3)	16,423	20,000	2,047	22,047	32,500	12,500	62.50%
Computer Services (4)	5,401	6,150	2,515	6,364	7,732	1,582	25.73%
Total	\$ 768,487	\$ 795,066	\$ 378,507	\$ 736,754	\$ 424,093	\$ (370,973)	(46.66%)

(1) The IIPRC pays an annual license fees to SERFF in the amount of \$25,000 and is allotted 250 hours of SERFF development under the Services Agreement.

(2) This line item includes the NAIC Services Agreement (\$125,000); Cash Management (\$5,311); Annual Audit fees (\$7,550); and Consultant fees (\$493,161). The IIPRC currently has five (5) consultants: 1) two (2) Product Reviewer Consultant; 2) two (2) Actuarial Consultants - one full-time and one part-time; and 3) one (1) part-time Regulatory Consultant. In May 2015, the IIPRC converted an open third Product Reviewer Consultant position to a full-time employee position which results in a savings in this line and an increase in the Salary line for much of 2015 and in 2016. In a separate fiscal request, the IIPRC Office requests converting two long-time, full-time consultants to full-time employees which if approved, will reduce the amount of this line further and increase the amount of Salary and related line items.

(4) The IIPRC retains the outside counsel to advise on structural and related legal matters for the Commission. It is anticipated that the outside counsel retainer will continue in 2016 to advise on tax-exempt, organizational and general legal matters for the IIPRC.

(5) This line item reflects the monthly costs for processing IIPRC payroll. Also included in this line item are the expense related to the Consultants and remote employees monthly internet services to connect to the SERFF filing platform and the IIPRC office. Also included are the expenses related to the cellular devices to include electronic mobile devices for the Executive Director, Assistant Director, and Senior Operations Manager.

2016 BUDGET ANALYSIS

BUDGET ITEM: Travel

ITEM DESCRIPTION: Includes airfares, hotels, meals, etc., incurred by IIPRC staff, consultants, members and regulators.

Description	2014	2015	6/30/15	12/31/15	2016	Increase (Decrease) from	Percentage
	Actual	Budget	Actual	Projected	Budget	2015 Budget	
Staff Travel (1)	\$ 19,410	\$ 33,662	\$ 12,920	\$ 26,132	\$ 41,952	\$ 8,290	24.63%
Marketing Travel (2)	14,617	24,150	12,000	20,050	29,650	5,500	22.77%
Non-Staff/Commissioner Travel (3)	30,322	53,595	13,341	44,441	48,076	(5,519)	(10.30%)
Total	\$ 64,349	\$ 111,407	\$ 38,261	\$ 90,623	\$ 119,678	\$ 8,271	7.42%

(1) This line item includes the costs associated with travel for the IIPRC employees. It is anticipated that nine (9) IIPRC employees will travel over the course of the year for a total of 30 trips. Anticipated trips include the three (3) National Meetings which five (5) employees will attend as well as any other necessary meetings in support of the IIPRC. The average cost for each trip is estimated at approximately \$1,390. The increase in the 2016 budget is due to the anticipated travel of additional employees through the course of the year. Five employees are anticipated to travel as opposed to three on a regular basis.

(2) This line item includes the costs associated with travel for marketing/outreach by IIPRC staff, consultants and/or members. It is anticipated that there will be 17 trips made over the course of the year for marketing and outreach at a variety of industry and regulatory conferences. It is also anticipated that the IIPRC will sponsor or exhibit at marketing events throughout the year. Included in this line item are the costs associated with marketing materials including "branding give-always". The increase in this budget line is also associated with more IIPRC Team member attending conferences and participating in marketing/outreach on behalf of the IIPRC.

(3) This line item includes the costs associated with both Commissioner and non-staff travel. The IIPRC reimburses members of the Legislative Committee (8) and members of the Consumer Advisory Committee (8) for their costs associated with attending the IIPRC meetings. The IIPRC reimburses the consultants for travel associated with attending the IIPRC Meetings (estimated at three (3) for one consultants). This line item also includes costs associated with Commissioner travel for IIPRC outreach and other business. The reduction in anticipated expenses is due to the proposed change of two consultants to full-time employees.

2016 BUDGET ANALYSIS

BUDGET ITEM: Occupancy

ITEM DESCRIPTION: Includes parking fees incurred for IIPRC staff.

<u>Description</u>	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>6/30/15 Actual</u>	<u>12/31/15 Projected</u>	<u>2016 Budget</u>	<u>Increase (Decrease) from 2015 Budget</u>	<u>Percentage</u>
Occupancy (1)	\$ 7,631	\$ 8,886	\$ 3,453	\$ 6,153	\$ 7,829	\$ (1,057)	(11.89%)

(1) This line item includes monthly commuting benefits for the DC based IIPRC employees at a cost of \$300 per month for the full year. Also, included in this line is costs associated with parking for the three (3) Kansas City based employees.

2016 BUDGET ANALYSIS

BUDGET ITEM: Meetings

ITEM DESCRIPTION: Includes hotel services, audio visual, and other costs incurred by IIPRC staff and Members for IIPRC meetings.

<u>Description</u>	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>6/30/15 Actual</u>	<u>12/31/15 Projected</u>	<u>2016 Budget</u>	<u>Increase (Decrease) from 2015 Budget</u>	<u>Percentage</u>
Meetings (1)	\$ 6,410	\$ 9,588	\$ 2,978	\$ 8,313	\$ 10,651	\$ 1,063	11.09%

(1) Costs associated with the three (3) IIPRC in-person meetings including costs for the audio visual, telecommunications equipment, technicians, food, and beverage for meeting attendees. The increase is due to anticipated increase in meetings costs associated with increased number of states and possibility of moving to paperless meetings.

2016 BUDGET ANALYSIS

BUDGET ITEM: Equipment Rental and Maintenance

ITEM DESCRIPTION: Rental and maintenance fees for hardware and software.

<u>Description</u>	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>6/30/15 Actual</u>	<u>12/31/15 Projected</u>	<u>2016 Budget</u>	<u>Increase (Decrease) from 2015 Budget</u>	<u>Percentage</u>
Equipment, Hardware and Software Maintenance (1)	\$ 296	\$ 1,455	\$ -	\$ -	\$ 1,265	\$ (190)	(13.06%)
Total	\$ 296	\$ 1,455	\$ -	\$ -	\$ 1,265	\$ (190)	(13.06%)

(1) The IIPRC has budgeted for monthly maintenance costs associated with the thirteen (13) IIPRC Team members for access to Zero Client, which is aligned with NAIC's platform under the NAIC/IIPRC Services Agreement.

2016 BUDGET ANALYSIS

BUDGET ITEM: Depreciation

ITEM DESCRIPTION: Includes depreciation for all computer software owned as of August 31, 2013.

<u>Description</u>	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>6/30/15 Actual</u>	<u>12/31/15 Projected</u>	<u>2016 Budget</u>	<u>Increase (Decrease) from 2015 Budget</u>	<u>Percentage</u>
Depreciation	\$ 442	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!

2016 BUDGET ANALYSIS

BUDGET ITEM: Interest Expense

ITEM DESCRIPTION: Interest expense represents accrued interest payments on amounts owed to the NAIC.

<u>Description</u>	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>6/30/15 Actual</u>	<u>Projected 12/31/15</u>	<u>2016 Budget</u>	<u>Increase (Decrease) from 2015 Budget</u>	<u>Percentage</u>
Interest Expense (1)	\$ 68,592	\$ 70,151	\$ 34,878	\$ 70,151	\$ 71,746	\$ 1,595	2.27%

(1) The NAIC Executive (EX) Committee and Internal Administration (EX1) Subcommittee approved the restructure of the 2007, 2008, and 2009 notes payable into one note payable at the NAIC 2010 Spring National Meeting. The Management Committee of the IIPRC approved this restructure on April 26, 2010. The restructure terms include (1) rolling all debt into one note payable effective January 1, 2010, at the then current prime rate of 3.25% minus 1%; (2) accrual of interest on current debt and future borrowings from the NAIC at 2.25%; and (3) the deferral of principal and interest payments from the IIPRC until the year following the year in which the IIPRC achieves a profit of \$250,000 or an accumulated cash balance from operations of \$500,000 excluding funds from draws. The deferral of debt repayment reduced IIPRC draws on the \$850,000 line of credit approved for 2010 to \$450,000. Outstanding interest since the January 1, 2010 payment has been capitalized. In 2011, the IIPRC took a line of credit in the amount of \$400,000. In 2012, the IIPRC took a line of credit in the amount of \$250,000. In 2013 and 2014, the NAIC authorized a line of credit and the IIPRC did not utilize the available credit. Based on current projections, the IIPRC does not anticipate needing to draw on the 2015 line of credit. The IIPRC will seek a line of credit in 2016 though expects to need a minimal amount, if any.

2016 BUDGET ANALYSIS

BUDGET ITEM: Insurance

ITEM DESCRIPTION: Includes expenses for all general business and liability insurance policies for IIPRC.

<u>Description</u>		<u>2014</u> <u>Actual</u>	<u>2015</u> <u>Budget</u>	<u>6/30/15</u> <u>Actual</u>	<u>12/31/15</u> <u>Projected</u>	<u>2016</u> <u>Budget</u>	Increase (Decrease) from <u>2015 Budget</u>	<u>Percentage</u>
General Business Insurance (1)	\$	3,269	\$ 13,440	\$ 6,535	\$ 15,340	\$ 17,610	\$ 4,170	31.03%

(1) General business insurance coverage and related premiums. Comprehensive errors and omissions and director/officer coverage premiums are included in this line as well.

2016 BUDGET ANALYSIS

BUDGET ITEM: Office Services

ITEM DESCRIPTION: Includes conference calls, office supplies, non-capital equipment, and mail.

Description	2014 Actual	2015 Budget	6/30/15 Actual	12/31/15 Projected	2016 Budget	Increase (Decrease) from 2015 Budget	Percentage
Telephone (1)	\$ 8,734	\$ 11,544	\$ 5,033	\$ 10,805	\$ 11,750	\$ 206	1.78%
Other Supplies (2)	557	500	87	177	500	-	0.00%
Non-Capital Equipment (3)	6,647	5,492	1,811	6,069	10,415	4,923	89.64%
Mail Services (4)	475	600	559	894	950	350	58.33%
Total	\$ 16,413	\$ 18,136	\$ 7,491	\$ 17,946	\$ 23,615	\$ 5,479	30.21%

(1) Telephone expenses for conference calls, utilizing Chorus Call, for: the Commission; Management Committee; sub-committees; advisory committees for the IIPRC; and webinars for industry education. As more states join the Compact, we anticipate additional costs associated with conference calls.

(2) This line item reflects the cost of supplies for the IIPRC office.

(3) The IIPRC has budgeted for potential software and device upgrades during 2016. Also included in this line is a \$500 annual allotment per IIPRC Consultant and remote employee to be reimbursed for expenses associated with the parameters of the technology platform for the IIPRC Office.

(4) This line item includes expenses to mail IIPRC correspondence via US Postal Service or FedEx/UPS services; the costs to mail the Annual Report to all Commissioners and Governors, as well as the members of the Legislative Committee and the two advisory committees.

2016 BUDGET ANALYSIS

BUDGET ITEM: Other Expenses

ITEM DESCRIPTION: Includes expenses incurred for reference materials, general training materials, and recruiting expenses.

<u>Description</u>	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>6/30/15 Actual</u>	<u>12/31/15 Projected</u>	<u>2016 Budget</u>	<u>Increase (Decrease) from 2015 Budget</u>	<u>Percentage</u>
Reference Materials (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Training Expenses (2)	-	-	-	-	-	-	#DIV/0!
Recruiting Expense (3)	-	2,500	3,701	3,701	75	(2,425)	(97.00%)
Total	\$ -	\$ 2,500	\$ 3,701	\$ 3,701	\$ 75	\$ (2,425)	(97.00%)

(1) It is expected that the IIPRC Office will not purchase various reference materials for the Members as well as IIPRC Team Members.

(2) It is not anticipated that the IIPRC Office will offer any training materials to IIPRC Members, staff, or consultants.

(3) It is anticipated that the IIPRC Office will incur minimal expenses associated with recruiting in 2016.