

**INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION
IIPRC 2009 ADOPTED BUDGET
DETAIL REVENUE AND EXPENSES**

Description	2008					2009		
	2007 Actual	2008 Adopted Budget	2008 Actual Jan-May	2008 Projected June-Dec	12/31/2008 Projected	2009 Proposed Base Budget	2009 Fiscal Impact Statements	2009 Proposed Budget
Compact Fees	\$ 18,050	\$ 475,500	\$ 145,500	\$ 185,000	\$ 330,500	\$ 1,125,000	\$ -	\$ 1,125,000
Contribution Revenue					-			
Interest Income	6,699	7,500	2,781	2,628	5,409	6,600	-	6,600
Total Revenues	24,749	483,000	148,281	187,628	335,909	1,131,600	-	1,131,600
Salaries, Taxes, and Benefits	256,616	411,891	157,132	166,847	323,979	420,252	-	420,252
Professional Services	143,362	650,000	211,863	284,749	496,612	671,019	-	671,019
Travel	37,290	120,600	61,663	39,091	100,754	220,000	-	220,000
Rental and Maintenance	30	13,500	455	1,105	1,560	5,340	-	5,340
Depreciation	24,867	42,300	22,845	22,945	45,790	45,889	-	45,889
Interest Expense	13,619	80,000	23,787	25,278	49,065	70,202	-	70,202
Insurance Expense	9,638	23,492	5,681	5,898	11,579	12,188	-	12,188
Administrative Expenses	43,889	55,970	17,922	9,468	27,390	45,008	-	45,008
Meetings and General Training	3,699	12,000	1,890	7,905	9,795	20,000	-	20,000
Total Operating Expenses	533,010	1,409,753	503,239	563,286	1,066,525	1,509,898	-	1,509,898
Revenues Over (Under) Expenses	\$ (508,261)	\$ (926,753)	\$ (354,958)	\$ (375,658)	\$ (730,616)	\$ (378,298)	\$ -	\$ (378,298)
Estimated IIPRC Funding Analysis:								
NAIC Funding Remaining	\$ 168,518	\$ 235,124	\$ 235,124	\$ 253,011	\$ 235,124	\$ 349,846		\$ 349,846
NAIC Line of Credit	550,000	850,000	350,000	500,000	850,000	550,000		550,000
Total Funding Available	718,518	1,085,124	585,124	753,011	1,085,124	899,846		899,846
2009 Revenue Over/(Under) Expense	(508,261)	(926,753)	(354,958)	(375,658)	(730,616)	(378,298)		(378,298)
Add Non-Cash Items:								
Depreciation	24,867	42,300	22,845	22,945	45,790	45,889		45,889
Less Line of Credit Payments:								
Actual Principal Payments on 2007 LOC		(50,452)		(50,452)	(50,452)	(108,332)		(108,332)
Estimated Principal Payments on 2008 LOC						(77,119)		(77,119)
Funding Remaining	\$ 235,124	\$ 150,219	\$ 253,011	\$ 349,846	\$ 349,846	\$ 381,986		\$ 381,986

ADOPTED
2009 BUDGET ANALYSIS

BUDGET ITEM: Revenues

ITEM DESCRIPTION: Includes the revenues derived from (1) IIPRC Per Filing Fees, (2) IIPRC Annual Registration Fees, and (3) interest

<u>Description</u>	2007 <u>Actual</u>	6/30/08 <u>Actual</u>	12/31/08 <u>Projected</u>	2008 <u>Budget</u>	2009 <u>Budget</u>	Increase <u>(Decrease)</u>	<u>Percentage</u>
Filing Fees (1)	\$ -	\$ 20,500	\$ 50,000	\$ 250,000	\$ 375,000	\$ 125,000	50.00%
Annual Registration Fees (2)	18,050	125,000	135,000	225,500	750,000	524,500	232.59%
Interest Income (3)	6,699	2,781	2,628	7,500	6,600	(900)	(12.00%)
Contribution(4)	-	-	-	-	-	-	#DIV/0!
Total	\$ 24,749	\$ 148,281	\$ 187,628	\$ 483,000	\$ 1,131,600	\$ 648,600	134.29%

- (1) 750 filings are anticipated within this budget framework as it is expected in 2009 that new state will join the Compact, insurance companies will continue to assess the Uniform Standards for the benefits of "one-stop" filing; new Standards in the Annuity and Group area will be developed so new carriers may file; and outreach efforts will result in new filings with the Compact. In comparison with the total number of LAH filings nationwide on SERFF at over 100,000 filings; it is reasonable to anticipate the above-stated increase in Compact filings in IIPRC authorized lines as the IIPRC progresses and new product line standards on line are adopted.
- (2) As noted in the above (1), more filings are expected during 2009. In order to utilize the IIPRC filing platform, insurance companies must pay an IIPRC Annual Registration Fee. It is estimated that 170 life and annuity companies may pay Annual Registration Fees in 2009 to utilize the IIPRC filing platform.
- (3) Interest is earned by placing IIPRC available funds in an interest-bearing account. In 2009, assuming a money market rate of 2% on a possible general balance of \$250,000, interest may total \$6600 for 2009.
- (4) At its start-up in 2006, the IIPRC received a grant of \$500,000 from the NAIC. The IIPRC will not receive any grants or contributions in 2009.

2009 BUDGET ANALYSIS

BUDGET ITEM: Salaries

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

<u>Description</u>	<u>2007 Actual</u>	<u>6/30/08 Actual</u>	<u>12/31/08 Projected</u>	<u>2008 Budget</u>	<u>2009 Budget</u>	<u>Increase (Decrease)</u>	<u>Percentage</u>
Salaries-Existing Employees (1)	\$ 227,826	\$ 128,284	\$ 275,587	\$ 338,510	\$ 350,358	\$ 11,848	3.50%
Vacation Liability (2)	-	4,970	-	10,000	-	(10,000)	0.00%
Overtime (3)	-	-	-	-	3,750	3,750	0.00%
Total	\$ 227,826	\$ 133,254	\$ 275,587	\$ 348,510	\$ 354,108	\$ 5,598	1.61%

- (1) During 2009, there will be 3 employees: Executive Director, Operations Manager, and Administrative Assistant located in the IIPRC Office in Washington, DC. An estimated merit increase of 5.0% was used for purposes of projecting 2009 salaries within this budget proposal and promotion potential of \$30,000 included in this line. Note: The "IIPRC Team" consists of 3 employees above-noted and 3 consultants. Consultants are provided under the "Professional Services" line (page 7). *Any new employee staffing requests for 2009 based upon IIPRC operational needs will be reviewed by the membership during the course of the year through business fiscal impact analysis processes.*
- (2) No vacation liability calculated for 2009.
- (3) Overtime is estimated for one non-exempt, employee staff position.

2009 BUDGET ANALYSIS

BUDGET ITEM: Temporary Personnel

ITEM Description: Fees paid to outside agencies and wages paid to interns for additional personnel during peak work periods.

<u>Description</u>	<u>2007</u> <u>Actual</u>	<u>6/30/08</u> <u>Actual</u>	<u>12/31/08</u> <u>Projected</u>	<u>2008</u> <u>Budget</u>	<u>2009</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u>
Temporary Personnel (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100.00%
Interns (2)	1,583	-	-	10,000	-	(10,000)	(100.00%)
Total	\$ 1,583	\$ -	\$ -	\$ 10,000	\$ -	\$ (10,000)	(100.00%)

- (1) IIPRC is not anticipating the use of temporary personnel in 2009.
- (2) IIPRC is not anticipating interns during 2009. *Also, it is anticipated that the IIPRC will not hire interns for the duration of 2008 as was originally budgeted in the 2008 Annual IIPRC Budget.*

2009 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>2007 Actual</u>	<u>6/30/08 Actual</u>	<u>12/31/08 Projected</u>	<u>2008 Budget</u>	<u>2009 Budget</u>	<u>Increase (Decrease)</u>	<u>Percentage</u>
FICA (1)	\$ 12,727	\$ 9,837	\$ 17,175	\$ 17,690	\$ 18,593	\$ 903	5.10%
FICA Turnover (2)	-	-	-	-	-	-	0.00%
Unemployment Compensation (3)	692	507	2,375	2,375	897	(1,478)	(62.23%)
Total	<u>\$ 13,419</u>	<u>\$ 10,344</u>	<u>\$ 19,550</u>	<u>\$ 20,065</u>	<u>\$ 19,490</u>	<u>\$ (575)</u>	(2.87%)

- (1) The increase in FICA is related to the projected increase in the FICA wage base and the increase in total salaries projected for the IIPRC employees.
- (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.

2009 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>	<u>2007</u> <u>Actual</u>	<u>6/30/08</u> <u>Actual</u>	<u>12/31/08</u> <u>Projected</u>	<u>2008</u> <u>Budget</u>	<u>2009</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u>
Pension (1)	\$ 2,813	\$ 6,345	\$ 5,892	\$ 13,275	\$ 22,569	\$ 9,294	70.01%
Health Benefits (2)	8,870	3,909	3,606	13,604	16,056	2,452	18.02%
Group Life and Disability (3)	1,375	889	840	1,952	4,979	3,027	155.07%
Employee/Team Relations (4)	610	-	-	-	2,000	2,000	#DIV/0!
Total	\$ 13,668	\$ 11,143	\$ 10,338	\$ 28,831	\$ 45,604	\$ 16,773	58.18%

- (1) A 457 plan and 401 (a) plan is in effect for IIPRC employees as approved by the Management Committee in December 2006. There are IIPRC matching dollars paid into the plan for employees with one year of service. During 2009, there will be two (2) IIPRC employees eligible for matching with the projected costs noted for the full year, and one employee eligible for half of the year. There is an annual management fee of the plans estimated at \$5,600 for 2009.
- (2) Employee health benefits are calculated based upon current NAIC/NIPR employees benefits and their plan type selections given that the IIPRC employees are included in the NAIC/NIPR plan for cost-efficiencies.
- (3) Group life and disability benefits are estimated based upon current NAIC/NIPR employee benefits given that the IIPRC employees are included in the NAIC/NIPR plan for cost-efficiencies.
- (4) For IIPRC Team Recognition and Retreat annual event as per NAIC Staff Handbook policies, adopted by the IIPRC Management Committee for the IIPRC on an interim basis.

2009 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>2007 Actual</u>	<u>6/30/08 Actual</u>	<u>Projected 12/31/08</u>	<u>2008 Budget</u>	<u>2009 Budget</u>	<u>Increase (Decrease)</u>	<u>Percentage</u>
Professional Association Dues (2)	120	45	45	1,000	50	(950)	(95.00%)
Professional Training (3)	-	1,682	1,682	4,000	1,000	(3,000)	(75.00%)
Total	\$ 120	\$ 1,727	\$ 1,727	\$ 5,000	\$ 1,050	\$ (3,950)	(79.00%)

- (1) Professional association dues represent employee membership in various professional associations, such as the Association of Insurance Compliance Professionals (AICP) membership for the IIPRC.
- (2) Professional training represents the registration fees for professional seminars, trade workshops and education programs. It is anticipated that the IIPRC staff will be afforded professional training during 2009.

2009 BUDGET ANALYSIS

BUDGET ITEM: Professional Services

ITEM Description: Fees paid to outside resources for (1) information systems and legal services consultants and (2) cash management services.

<u>Description</u>	<u>2007 Actual</u>	<u>6/30/08 Actual</u>	<u>12/31/08 Projected</u>	<u>2008 Budget</u>	<u>2009 Budget</u>	<u>Increase (Decrease)</u>	<u>Percentage</u>
Professional Services-Computer (1)	\$ -	\$ 12,500	\$ 58,000	\$ 145,000	\$ 75,000	\$ (70,000)	(48.28%)
Other Professional Services (2)	82,775	197,206	419,712	420,000	517,200	97,200	23.14%
Legal (3)	59,295	244	15,244	75,000	75,000	-	0.00%
Computer Services (4)	1,292	1,913	3,656	10,000	3,819	(6,181)	(61.81%)
Total	\$ 143,362	\$ 211,863	\$ 496,612	\$ 650,000	\$ 671,019	\$ 21,019	3.23%

- (1) The IIPRC incurs development costs associated with making modifications to the Compact Pages on the NAIC System for Electronic Rate and Form Filing (SERFF), including updates which will enable compliance with the IIPRC Uniform Standards, Product Filing Rule ("Mix and Match"), Public Access Rule, and all other operating procedures. While the IIPRC is afforded 250 hours of SERFF development hours under the NAIC Services Agreement, it is anticipated that additional hours will be necessary to make new modifications to the Compact pages of SERFF in order to accommodate increasing Compact filings, the Compact fee structure, and the overall expansion/enhancements of the IIPRC product filing operations; this will also include any enhancements that are identified upon the completion of the Technology Needs Assessment. This line item includes the \$25,000 SERFF License Fee paid by the IIPRC to SERFF each year.
- (2) This line item includes the NAIC Services Agreement (\$125,000); Cash Management (\$3000); Annual Audit fees (\$9200); and Consultant fees (\$380,000). The IIPRC Team consists of three (3) consultants who perform the product review functions for the IIPRC; these consultant fees are included in this line item.
- (3) The IIPRC retains outside counsel to advise on structural and related legal matters for the Commission. It is anticipated that the outside counsel retainer will continue in 2009 to advise on continuous start-up issues and potential tax-related and organization structural matters for the IIPRC.
- (4) This line item reflects the monthly costs for processing IIPRC payroll. Also included in this line item are the expenses related to the Consultants monthly internet services to connect to the SERFF filing platform and the IIPRC office. It is anticipated that \$2,400 will be spent over the course of the year for their internet services.

2009 BUDGET ANALYSIS

BUDGET ITEM: Travel

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

<u>Description</u>	<u>2007 Actual</u>	<u>6/30/08 Actual</u>	<u>12/31/08 Projected</u>	<u>2008 Budget</u>	<u>2009 Budget</u>	<u>Increase (Decrease)</u>	<u>Percentage</u>
IIPRC Team Travel (1)	\$ 22,786	\$ 31,310	\$ 38,210	\$ 36,000	\$ 92,000	\$ 56,000	155.56%
Non-Staff Travel (2)	14,504	28,416	54,416	57,600	64,000	6,400	11.11%
Member Commissioner Travel (3)	-	1,937	8,128	27,000	64,000	37,000	137.04%
Total	\$ 37,290	\$ 61,663	\$ 100,754	\$ 120,600	\$ 220,000	\$ 99,400	82.42%

- (1) It is projected that 3 employees will travel -- Executive Director will make 32 trips for outreach/marketing efforts as well as quarterly meetings; 1 employee staff member will take 15 trips, and 1 staff member will take 3 trips in support of outreach/marketing and quarterly meetings. The three (3) IIPRC Team consultants will travel in support of outreach/marketing efforts as well as quarterly meetings. Each trip is estimated at the cost of \$1,000 per trip given rising travel costs.
- (2) For 8 Members of the Legislative Committee and 8 Members of Consumer Advisory Committee, it is projected that costs will be paid for 4 quarterly meeting trips, each at the cost of \$1000 per trip.
- (3) As approved by IIPRC Officers, Member commissioners will travel for Compact speaking opportunities and in-person briefings; the IIPRC Officers will travel for IIPRC briefings and meetings in Washington, DC. The line item includes costs estimated for 40 trips by commissioners at \$1000 per person per trip.

2009 BUDGET ANALYSIS

BUDGET ITEM: Occupancy

ITEM Description: Includes parking fees incurred for IIPRC staff.

<u>Description</u>	<u>2007 Actual</u>	<u>6/30/08 Actual</u>	<u>12/31/08 Projected</u>	<u>2008 Budget</u>	<u>2009 Budget</u>	<u>Increase (Decrease)</u>	<u>Percentage</u>
Occupancy (1)	\$ 30	\$ 455	\$ 1,560	\$ -	\$ 2,340	\$ 2,340	#DIV/0!

- (1) Commuting benefits for three (3) Washington, DC based employees in line with NAIC staff policies adopted by IIPRC membership, at a cost of \$65 per month for the full year.

2009 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>2007 Actual</u>	<u>6/30/08 Actual</u>	<u>12/31/08 Projected</u>	<u>2008 Budget</u>	<u>2009 Budget</u>	<u>Increase (Decrease)</u>	<u>Percentage</u>
Meetings (1)	\$ 3,699	\$ 1,890	\$ 9,795	\$ 11,000	\$ 5,000	\$ (6,000)	(54.55%)
Training Expenses (2)	-	-	-	1,000	15,000	14,000	1400.00%
Total	\$ 3,699	\$ 1,890	\$ 9,795	\$ 12,000	\$ 20,000	\$ 8,000	

- (1) Represents in-person IIPRC Quarterly Meeting ancillary costs, including teleconference lines. Also includes teleconference lines for IIPRC Legislative Committee meetings during NCSL and NCOIL.
- (2) In this budget line is annual Media Briefing/Training for the three (3) IIPRC Officers, the IIPRC Communications Chair, and the Executive Director as approved by the IIPRC Officers.

2009 BUDGET ANALYSIS

BUDGET ITEM: Equipment Rental and Maintenance

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

<u>Description</u>	<u>2007 Actual</u>	<u>6/30/08 Actual</u>	<u>12/31/08 Projected</u>	<u>2008 Budget</u>	<u>2009 Budget</u>	<u>Increase (Decrease)</u>	<u>Percentage</u>
Equipment, Hardware and Software Maintenance (1)	-	-	-	13,500	3,000	(10,500)	(77.78%)

- (1) It is expected that the IIPRC will require computer office suite upgrades analogous to state insurance department back-office systems during 2009 to ensure best regulatory practices in the Compact filing platform and support systems.

2009 BUDGET ANALYSIS

BUDGET ITEM: Depreciation

ITEM Description: Includes depreciation for all computer software owned as of June 30, 2007.

<u>Description</u>	<u>2007 Actual</u>	<u>6/30/08 Actual</u>	<u>12/31/08 Projected</u>	<u>2008 Budget</u>	<u>2009 Budget</u>	<u>Increase (Decrease)</u>	<u>Percentage</u>
Depreciation (1)	\$ 24,867	\$ 22,845	\$ 45,790	\$ 42,300	\$ 45,889	\$ 3,589	8.48%

- (1) Depreciation is calculated on a straight-line basis over the useful life of the capital assets owned by IIPRC, which is five years for computer software licenses.

NOTE: IIPRC Capital Assets Owned as of June 30, 2008:

<u>Asset Classification</u>	<u>Cost</u>	<u>Life-To-Date Depreciation</u>	<u>Net Book Value</u>
Computer Hardware:			
Desktop PC's	\$ 6,678	\$ 1,273	\$ 5,405
Laptop PC's	1,439	120	1,319
Printers/Peripherals	2,981	493	2,488
Computer Software:			
Serff Software License	126,902	45,825	81,077
Total	\$ 138,000	\$ 47,711	\$ 90,289

2009 BUDGET ANALYSIS

BUDGET ITEM: Interest Expense

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

<u>Description</u>	2007	YTD	Projected	2008	2009	Increase	Percentage
	<u>Actual</u>	6/30/08 <u>Actual</u>	12/31/08 <u>Projected</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	
Interest Expense (1)	\$ 13,619	\$ 23,787	\$ 49,065	\$ 80,000	\$ 70,202	\$ (9,798)	(12.25%)

- (1) The interest which accrues on the two (2) Lines of Credit extended by the NAIC to the IIPRC is prime minus 1%. This line item includes interest on the initial \$550,000 Line of Credit advanced in 2007, and subsequent \$850,000 Additional Line of Credit advanced in 2008. Interest accrues and is capitalized during the one-year deferral.

NOTE: On June 1, 2007, IIPRC executed a Line of Credit Agreement with the NAIC. This agreement made available to the IIPRC a line of credit not to exceed \$550,000 in 2007. An advance of \$250,000 was drawn in June 2007 and another in the amount of \$300,000 occurred in October 2007. Repayment is triggered by the date of the initial draw and began on July 1, 2008. Payments of \$31,824 on the 2007 line of credit are due quarterly. These payments include principal payments of approximately \$108,000, which will reduce the debt balance carried on the balance sheet during 2009. The remaining outstanding balance of the 2007 line of credit will generate \$17,879 in interest expense in 2009.

An additional line of credit for \$850,000 to cover 2008 expenses in excess of revenues was signed in February 2008. A \$350,000 draw on this line of credit occurred on April 15, 2008 with another draw anticipated in October. Repayment of this line of credit begins July 1, 2009. Based on the interest rate of the April draw of 4.25%, which could change on the July 1, 2009 determination date, the quarterly payments are anticipated to be approximately \$47,300 with principal payments totaling \$77,100. The 2009 Budget anticipates \$35,439 in interest expense for the 2008 line of credit.

Based on the proposed 2009 Budget the IIPRC anticipates an additional line of credit request with the NAIC to cover 2009 expenses in excess of revenues in the amount of \$550,000. This line of credit request will account for \$16,884 in interest expense in 2009 with payments beginning approximately one year from the date of the initial draw on this line of credit.

2009 BUDGET ANALYSIS

BUDGET ITEM: Insurance

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

<u>Description</u>	2007 <u>Actual</u>	6/30/08 <u>Actual</u>	12/31/08 <u>Projected</u>	2008 <u>Budget</u>	2009 <u>Budget</u>	Increase <u>(Decrease)</u>	<u>Percentage</u>
General Business Insurance (1)	\$ 2,963	\$ 1,528	\$ 3,304	\$ 3,067	\$ 3,664	\$ 597	19.47%
Professional Liability Insurance (1)	6,675	4,153	8,275	11,825	8,524	(3,301)	(27.92%)
Errors and Omissions Insurance (2)	-	-	-	8,600	-	(8,600)	(100.00%)
Total	<u>\$ 9,638</u>	<u>\$ 5,681</u>	<u>\$ 11,579</u>	<u>\$ 23,492</u>	<u>\$ 12,188</u>	<u>\$ (11,304)</u>	<u>(48.12%)</u>

- (1) General business insurance coverage and related premiums.
- (2) Comprehensive errors and omissions, and director/officer coverage -- no additional cost to IIPRC under umbrella policy.

2009 BUDGET ANALYSIS

BUDGET ITEM: Office Services and Other Expenses

ITEM Description: Includes conference calls, office supplies, non-capital equipment and mail and printing services.

<u>Description</u>	2007 <u>Actual</u>	6/30/08 <u>Actual</u>	12/31/08 <u>Projected</u>	2008 <u>Budget</u>	2009 <u>Budget</u>	Increase <u>(Decrease)</u>	<u>Percentage</u>
Telephone (1)	\$ 20,834	\$ 14,085	\$ 21,628	\$ 21,860	\$ 30,450	\$ 8,590	39.30%
Other Supplies (2)	1,765	1,348	2,648	2,500	8,008	5,508	220.32%
Non-Capital Equipment (3)	1,219	1,098	1,548	3,500	5,000	1,500	42.86%
Mail Services (4)	708	746	921	1,650	1,050	(600)	(36.36%)
Printing (5)	1,817	250	250	2,750	500	(2,250)	(81.82%)
Reference Materials (6)	-	-	-	1,000	-	(1,000)	(100.00%)
Recruiting Expense (7)	17,546	395	395	22,710	-	(22,710)	***. **%
Total	\$ 43,889	\$ 17,922	\$ 27,390	\$ 55,970	\$ 45,008	\$ (10,962)	(19.59%)

- (1) Telephone expenses for conference calls for Commission, Management Committee, sub-committees, and advisory committees of the IIPRC; long distance expenses for DC office; as well as all cell phone use for two (2) employees and two (2) consultants.
- (2) This line item reflects the cost of supplies for the IIPRC office to include paper and toner. It is anticipated that toner will be purchased on a quarterly basis. Fuser and Transfer Kits for the current IIPRC HP printer will be purchased once a year.
- (3) It is anticipated that the IIPRC will need to make some upgrades to the current computer system to allow for back-office system implementation. Further details will be available upon completion of the Technology Needs Assessment Survey.
- (4) This line item includes expenses to mail IIPRC correspondence via US Postal Mail or Fed EX/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.
- (5) This line item includes the cost for the production of the Annual Report in the first quarter.
- (6) It is not anticipated that the IIPRC will need to purchase manuals and reference materials.
- (7) No additional employees hires are initially planned for 2009, subject to quarterly review.

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ADOPTED