

**INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION
2015 ADOPTED BUDGET
DETAIL REVENUE AND EXPENSES**

Description	2014					2015			Increase (Decrease) from 2014 Budget	%	Increase (Decrease) from 2014 Projected	%
	2013	2014	2014		2014 Projected Variance	2015 Budget	2015 Fiscal Impact Statements	Total 2015 Budget				
	Actual	Budget	8/31/2014 Actual	12/31/2014 Projected								
Filing Fees	\$ 651,679	\$ 708,800	\$ 462,027	\$ 758,002	\$ 49,202	\$ 882,875		\$ 882,875	\$ 174,075	24.56%	\$ 124,873	16.47%
Annual Registration Fees	718,190	830,125	769,450	785,700	(44,425)	877,875		877,875	47,750	5.75%	92,175	11.73%
Interest Income	42	-	43	43	43	-		-	-	-	(43)	(100.00%)
Total Revenues	1,369,911	1,538,925	1,231,520	1,543,745	4,820	1,760,750	-	1,760,750	221,825	14.41%	217,005	14.06%
Salaries, Taxes, and Benefits (1)	440,491	631,929	420,574	628,710	(3,219)	674,393	197,524	871,917	239,988	37.98%	45,683	7.27%
Professional Services (2)	744,938	820,867	498,687	768,455	(52,412)	795,066		795,066	(25,801)	(3.14%)	26,611	3.46%
Travel (3)	55,018	130,893	39,467	90,013	(40,880)	104,079	7,328	111,407	(19,486)	(14.89%)	14,066	15.63%
Rental and Maintenance (4)	4,718	8,469	5,382	8,175	(294)	1,455		1,455	(7,015)	(82.83%)	(6,721)	(82.21%)
Depreciation (5)	1,766	441	442	442	1	-		-	(441)	(100.00%)	(442)	(100.00%)
Interest Expense (6)	67,067	74,308	45,556	68,591	(5,717)	70,151		70,151	(4,157)	(5.59%)	1,560	2.27%
Insurance Expense (7)	12,011	12,460	8,309	12,645	185	13,440		13,440	980	7.87%	795	6.29%
Administrative Expenses (8)	18,973	24,382	10,537	16,137	(8,245)	26,548	2,974	29,522	5,140	21.08%	10,411	64.52%
Meetings and General Training (9)	5,730	10,629	2,562	6,605	(4,024)	9,588		9,588	(1,041)	(9.79%)	2,983	45.16%
Total Operating Expenses	1,350,712	1,714,378	1,031,516	1,599,773	(114,605)	1,694,720	207,825	1,902,545	188,167	10.98%	94,947	5.94%
Revenues Over (Under) Expenses	\$ 19,199	\$ (175,453)	\$ 200,004	\$ (56,028)	\$ 119,425	\$ 66,030	\$ (207,825)	\$(141,795)	\$ 33,658	(19.18%)	\$ 122,058	(217.85%)

Estimated IIPRC Funding Analysis:

	2014	2015
Funds Remaining as of August 31, 2014 and January 1, 2015	\$ 416,833	\$ 97,980
Draws on NAIC Line of Credit		
Total Funding Available	416,833	97,980
Balance sheet liabilities to satisfy from cash	(90,192)	-
Revenue Over/(Under) Expense	(256,032)	(141,795)
Adjustments for Non-Cash items:		
Insurance expense	4,336	13,440
Depreciation expense	-	-
Interest expense recorded monthly	23,035	70,151
IIPRC Funding Available at Year-End	\$ 97,980	\$ 39,776

(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 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.

2015 BUDGET ANALYSIS

BUDGET ITEM: Revenues

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

Description	2013 Actual	2014 Budget	8/31/14 Actual	12/31/14 Projected	2015 Budget	Increase (Decrease) from 2014 Budget	Percentage
Filing Fees (1)	\$ 651,679	\$ 708,800	\$ 462,027	\$ 758,002	\$ 882,875	\$ 174,075	24.56%
Annual Registration Fees (2)	718,190	830,125	769,450	785,700	877,875	47,750	5.75%
Interest Income (3)	42	-	43	43	-	-	0.00%
Total	\$ 1,369,911	\$ 1,538,925	\$ 1,231,520	\$ 1,543,745	\$ 1,760,750	\$ 221,825	14.41%

(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 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. The fees for amended and other miscellaneous filing fees are not specifically listed below but are included in the Filing Fees and for 2015 are budgeted in the amount of \$67,125.

	<u>Companies w/ More than</u> <u>\$50M Premium Volume</u>		<u>Companies w/ Less than</u> <u>\$50M Premium Volume</u>	
	Fee	Budget Volume	Fee	Budget Volume
<u>Submissions w/ Actuarial Review</u>	\$ 1,000	480	\$ 500	92
<u>Submissions w/o Actuarial Review</u>	\$ 500	515	\$ 250	53
<u>Regional Filer</u>				
<u>Submissions w/ Actuarial Review</u>	\$ 500	21	\$ 250	8
<u>Submissions w/o Actuarial Review</u>	\$ 250	20	\$ 125	12

(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</u> <u>\$50M Premium Volume</u>		<u>Companies w/ Less than</u> <u>\$50M Premium Volume</u>	
	Fee	Budget Volume	Fee	Budget Volume
<u>Annual Registration Fee Jan 1 or before</u>	\$ 5,000	150	\$ 2,500	23
<u>Annual Registration Fee July 1 or after</u>	\$ 2,500	15	\$ 1,250	4
<u>Regional Filer Fee Jan 1 or before</u>	\$ 2,500	5	\$ 1,250	4
<u>Regional Filer Fee July 1 or after</u>	\$ 1,250	3	\$ 625	1
<u>Update-Only Registration</u>	\$ 1,500	4	\$ 750	0

(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.

2015 BUDGET ANALYSIS

BUDGET ITEM: Salaries

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

<u>Description</u>	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>8/31/14 Actual</u>	<u>12/31/14 Projected</u>	<u>2015 Budget</u>	<u>Increase (Decrease) from 2014 Budget</u>	<u>Percentage</u>
Salaries-Existing Employees (1)	\$ 350,153	\$ 482,692	\$ 318,880	\$ 481,393	\$ 505,000	\$ 22,308	4.62%
Salaries-New Employees (2)	-	-	-	-	161,549	161,549	100.00%
Turnover Factor (3)	-	(5,848)	-	-	(6,119)	(271)	4.63%
Overtime (4)	408	-	777	777	-	-	(100.00%)
Total	\$ 350,561	\$ 476,844	\$ 319,657	\$ 482,170	\$ 660,430	\$ 183,586	38.50%

(1) During 2015, the IIPRC will have five existing full-time employees: Executive Director, Assistant Director, Senior Operations Manager, Administrative Coordinator, and Intake Coordinator. The 2015 budget includes an assumption of a combined 2.7% salary adjustment for cost-of-living and merit-based increases.

(2) The IIPRC will consider a fiscal request for two additional full-time employees. A full-time form reviewer with 5 to 7 years of experience and an full-time actuary with 5 to 7 years of experience.

(3) While the IIPRC does not anticipate turnover, the budget includes a turnover factor annually and for 2015, it is using a turnover percentage of 9% of salaries with an average vacancy duration of seven (7) weeks.

(4) The IIPRC has two non-exempt employees and does not anticipate scheduled overtime will be needed in 2015.

2015 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>2013 Actual</u>	<u>2014 Budget</u>	<u>8/31/14 Actual</u>	<u>12/31/14 Projected</u>	<u>2015 Budget</u>	<u>Increase (Decrease) from 2014 Budget</u>	<u>Percentage</u>
FICA (1)	\$ 22,908	\$ 31,905	\$ 23,666	\$ 33,395	\$ 46,097	\$ 14,192	44.48%
FICA Turnover (2)	-	(393)	-	-	(409)	(16)	4.07%
Unemployment Compensation (3)	1,051	1,244	1,254	1,254	1,802	558	44.86%
Total	\$ 23,959	\$ 32,756	\$ 24,920	\$ 34,649	\$ 47,490	\$ 14,734	44.98%

(1) FICA is related to the projected FICA wage base and total salaries projected for existing and new 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 individual salary amounts based on work location for existing and new employees.

2015 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>2013 Actual</u>	<u>2014 Budget</u>	<u>8/31/14 Actual</u>	<u>12/31/14 Projected</u>	<u>2015 Budget</u>	<u>Increase (Decrease) from 2014 Budget</u>	<u>Percentage</u>
Pension (1)	\$ 41,366	\$ 46,788	\$ 37,396	\$ 46,499	\$ 48,678	\$ 1,890	4.04%
Health Benefits (2)	21,182	69,513	34,069	58,860	105,514	36,001	51.79%
Group Life and Disability (3)	1,852	2,848	1,765	2,704	3,915	1,067	37.45%
Employee Relations (4)	1,326	2,830	2,502	3,562	3,600	770	27.21%
Total	\$ 65,726	\$ 121,979	\$ 75,732	\$ 111,626	\$ 161,707	\$ 39,728	32.57%

(1) A 457 plan and 401(a) plan is in effect for IIPRC employees along with a supplemental retirement plan for the Executive Director. Five IIPRC employees are expected to be eligible for IIPRC matching contribution in 2015. The third-party plan management fee is estimated at \$1,000 for 2015.

(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 expected expenses is due to a sizeable increase in premiums throughout the NAIC/NIPR/IIPRC organizations (22%) and premiums associated with new employees (19%). The IIPRC also provides a vision expense reimbursement program as a health benefit for its employees which is included in this amount.

(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 seven full-time employees in 2015.

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

2015 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>2013 Actual</u>	<u>2014 Budget</u>	<u>8/31/14 Actual</u>	<u>Projected 12/31/14</u>	<u>2015 Budget</u>	<u>Increase (Decrease) from 2014 Budget</u>	<u>Percentage</u>
Professional Association Dues (1)	\$ 245	\$ 350	\$ 265	\$ 265	\$ 2,290	\$ 1,940	554.29%
Education Reimbursements	-	-	-	-	-	-	0.00%
Professional Training (2)	-	-	-	-	-	-	0.00%
Total	\$ 245	\$ 350	\$ 265	\$ 265	\$ 2,290	\$ 1,940	554.29%

(1) Professional association dues represent employees dues for certain professions such as legal, actuarial, and membership in various professional associations, such as bar association dues and the Association of Insurance Compliance Professionals (AICP) membership for IIPRC employees. Professional dues for an employee hired in 2014 and the requested new employees will increase this line considerably.

2015 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	2013 Actual	2014 Budget	8/31/14 Actual	12/31/14 Projected	2015 Budget	Increase (Decrease) from 2014 Budget	Percentage
Professional Services-Computer (1)	\$ 25,000	\$ 25,000	\$ 16,667	\$ 25,000	\$ 37,500	\$ 12,500	50.00%
Other Professional Services (2)	707,869	750,222	476,505	724,412	731,416	(18,806)	(2.51%)
Legal (3)	7,954	40,000	2,296	13,636	20,000	(20,000)	(50.00%)
Computer Services (4)	4,115	5,645	3,219	5,406	6,150	505	8.94%
Total	\$ 744,938	\$ 820,867	\$ 498,687	\$ 768,455	\$ 795,066	\$ (25,801)	(3.14%)

(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. In 2014, the IIPRC utilized its hours to implement SERFF Filing Access and a custom feature for Compact filings known as "Associated Filings". In 2015, the IIPRC Technology Committee expects to identify enhancements in the Compact SERFF instance to improve the search capabilities for state regulators. The IIPRC believes these enhancements will exceed the number of allotted hours within its license fee and has budgeted \$12,500 for additional hours associated with business gathering requirements, development, programing, and testing.

(2) This line item includes the NAIC Services Agreement (\$125,000); Cash Management (\$4,773); Annual Audit fees (\$6,750); and Consultant fees (\$594,893). In 2015, the IIPRC Team will consist of six (6) consultants; 1) three (3) Product Review Consultants; 2) two (2) Actuarial Consultants - one full-time and one part-time; and 3) one (1) part-time Regulatory Consultant.

(3) 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 2015 to advise on tax-exempt, organizational and general legal matters for the IIPRC. Based on historical usage, we have lowered the budgeted amount in 2015.

(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. 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.

2015 BUDGET ANALYSIS

BUDGET ITEM: Travel

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

<u>Description</u>	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>8/31/14 Actual</u>	<u>12/31/14 Projected</u>	<u>2015 Budget</u>	<u>Increase (Decrease) from 2014 Budget</u>	<u>Percentage</u>
Staff Travel (1)	\$ 19,772	\$ 34,243	\$ 12,597	\$ 22,376	\$ 33,662	\$ (581)	(1.70%)
Marketing Travel (2)	9,144	30,150	8,537	24,637	24,150	(6,000)	(19.90%)
Non-Staff/Commissioner Travel (3)	26,102	66,500	18,333	43,000	53,595	(12,905)	(19.41%)
Total	\$ 55,018	\$ 130,893	\$ 39,467	\$ 90,013	\$ 111,407	\$ (19,486)	(14.89%)

(1) This line item includes the costs associated with travel for the IIPRC employees. It is anticipated that five (5) IIPRC employees will travel over the course of the year for a total of 24 trips. Anticipated trips include the three (3) National Meetings which three 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 \$1,350.

(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 20 trips made over the course of the year for marketing and outreach. 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-aways". Based on historical actual-to-budget, the amount of trips budgeted has been reduced in 2015.

(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 three consultants). This line item also includes costs associated with Commissioner travel for IIPRC outreach and other business. Based on historical actual-to-budget, the amount of trips budgeted has been reduced in 2015.

2015 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>2013 Actual</u>	<u>2014 Budget</u>	<u>8/31/14 Actual</u>	<u>12/31/14 Projected</u>	<u>2015 Budget</u>	<u>Increase (Decrease) from 2014 Budget</u>	<u>Percentage</u>
Meetings (1)	\$ 5,730	\$ 10,629	\$ 2,562	\$ 6,605	\$ 9,588	\$ (1,041)	(9.79%)

(1) Costs associated with the three (3) IIPRC in-person meetings include the costs for the audio visual, telecommunications equipment, technicians, and beverages for meeting attendees as well as an increase in the number of member states and the possibility of moving to paperless meetings.

2015 BUDGET ANALYSIS

BUDGET ITEM: Equipment Rental and Maintenance

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

<u>Description</u>	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>8/31/14 Actual</u>	<u>12/31/14 Projected</u>	<u>2015 Budget</u>	<u>Increase (Decrease) from 2014 Budget</u>	<u>Percentage</u>
Equipment, Hardware and Software Maintenance (1)	\$ 50	\$ 1,629	\$ 296	\$ 809	\$ 1,455	\$ (175)	(10.71%)
Total	\$ 50	\$ 1,629	\$ 296	\$ 809	\$ 1,455	\$ (175)	(10.71%)

(1) The IIPRC has budgeted for monthly maintenance costs associated with the eleven (11) existing and two (2) new IIPRC Team members for access to Zero Client, which is aligned with NAIC's platform under the NAIC/IIPRC Services Agreement.

2015 BUDGET ANALYSIS

BUDGET ITEM: Depreciation

ITEM DESCRIPTION: Includes depreciation for all computer software owned as of August 31, 2014.

<u>Description</u>	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>8/31/14 Actual</u>	<u>12/31/14 Projected</u>	<u>2015 Budget</u>	<u>Increase (Decrease) from 2014 Budget</u>	<u>Percentage</u>
Depreciation (1)	\$ 1,766	\$ 441	\$ 442	\$ 442	-	\$ (441)	(100.00%)

(1) The IIPRC no longer has any depreciable assets.

2015 BUDGET ANALYSIS

BUDGET ITEM: Interest Expense

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

<u>Description</u>	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>8/31/14 Actual</u>	<u>Projected 12/31/14</u>	<u>2015 Budget</u>	<u>Increase (Decrease) from 2014 Budget</u>	<u>Percentage</u>
Interest Expense (1)	\$ 67,067	\$ 74,308	\$ 45,556	\$ 68,591	\$ 70,151	\$ (4,157)	(5.59%)

(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, the IIPRC did not need to take a draw on the available line of credit. In 2014, the IIPRC does not expect to need to draw on the available \$150,000 line of credit. It is anticipated that a very minimal line of credit may be requested by the IIPRC in 2015.

2015 BUDGET ANALYSIS

BUDGET ITEM: Insurance

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

<u>Description</u>	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>8/31/14 Actual</u>	<u>12/31/14 Projected</u>	<u>2015 Budget</u>	<u>Increase (Decrease) from 2014 Budget</u>	<u>Percentage</u>
General Business Insurance (1)	\$ 3,501	\$ 3,508	\$ 2,324	\$ 3,564	\$ 3,848	\$ 340	9.69%
Professional Liability Insurance (1)	5,698	5,892	3,947	5,995	6,344	452	7.67%
Errors and Omissions (2)	2,812	3,060	2,038	3,086	3,248	188	6.14%
Total	\$ 12,011	\$ 12,460	\$ 8,309	\$ 12,645	\$ 13,440	\$ 980	7.87%

(1) General business insurance coverage and related premiums. The IIPRC experienced a decrease in premium at renewal associated with having to change carriers and is budgeting for a 10% increase at renewal in 2015.

(2) Comprehensive errors and omissions and director/officer coverage premiums. At renewal, the IIPRC enhanced its coverage causing an increase in premium and is budgeting for an average 7% increase at renewal in 2015.

2015 BUDGET ANALYSIS

BUDGET ITEM: Office Services

ITEM DESCRIPTION: Includes conference calls, office supplies, non-capital equipment, mail and printing services, and transit/parking expenses.

<u>Description</u>	<u>2013</u> <u>Actual</u>	<u>2014</u> <u>Budget</u>	<u>8/31/14</u> <u>Actual</u>	<u>12/31/14</u> <u>Projected</u>	<u>2015</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u> <u>from</u> <u>2014 Budget</u>	<u>Percentage</u>
Telephone (1)	\$ 12,964	\$ 14,544	\$ 5,668	\$ 10,516	\$ 11,544	\$ (3,000)	(20.63%)
Other Supplies (2)	1,775	500	261	421	500	-	0.00%
Non-Capital Equipment (3)	3,601	8,338	4,281	4,541	5,492	(2,846)	(34.13%)
Mail Services (4)	613	1,000	306	638	600	(400)	(40.00%)
Occupancy (5)	4,668	6,840	5,086	7,366	8,886	2,046	29.91%
Total	\$ 23,621	\$ 31,222	\$ 15,602	\$ 23,482	\$ 27,022	\$ (4,200)	(13.45%)

(1) Telephone expenses for long distance and conference calls for: the Commission; Management Committee; sub-committees; advisory committees for the IIPRC; and webinars for industry education.

(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 2015. Also included in this line is a \$500 annual allotment per IIPRC Consultants to maintain the parameters of the technology platform set forth in their contracts.

(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.

(5) This line item includes monthly commuting benefits for the DC based IIPRC employees at a cost of \$250 per month for the full year. Also, included in this line is costs associated with parking for the three (3) existing plus two (2) new Kansas City based employees. Parking costs have increased by approximately 4.5% in Kansas City.

2015 BUDGET ANALYSIS

BUDGET ITEM: Other Expenses

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

<u>Description</u>	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>8/31/14 Actual</u>	<u>12/31/14 Projected</u>	<u>2015 Budget</u>	<u>Increase (Decrease) from 2014 Budget</u>	<u>Percentage</u>
Reference Materials (1)	\$ 20	\$ -	\$ 21	\$ 21	\$ -	\$ -	(100.00%)
Recruiting Expense (2)	-	-	-	-	2,500	2,500	0.00%
Total	\$ 20	\$ -	\$ 21	\$ 21	\$ 2,500	\$ 2,500	0.00%

(1) It is expected that the IIPRC Office will not purchase various reference materials in 2015.

(2) It is anticipated that the IIPRC Office will incur expenses associated with recruiting in 2015 for two new positions.