

**INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION
2017 ADOPTED BUDGET
DETAIL REVENUE AND EXPENSES**

Description	2016		2016			2017		2017		%	2017	
	2015 Actual	2016 Budget	7/31/2016 Actual	12/31/2016 Projected	2016 Projected Variance	2017 Budget	2017 Fiscal Impact Statements	Total 2017 Budget	Increase (Decrease) from 2016 Budget		Increase (Decrease) from 2016 Projected	%
Filing Fees	\$ 682,295	\$ 1,120,250	\$ 574,971	\$ 1,148,821	\$ 28,571	\$ 1,242,250		\$ 1,242,250	\$ 122,000	10.89%	\$ 93,429	8.13%
Annual Registration Fees	815,750	899,750	896,000	942,750	43,000	949,750		949,750	50,000	5.56%	7,000	0.74%
Interest Income	62	-	381	381	381	-		-	-	-	(381)	(100.00%)
Total Revenues	1,498,107	2,020,000	1,471,352	2,091,952	71,952	2,192,000	-	2,192,000	172,000	8.51%	100,048	4.78%
Salaries, Taxes, and Benefits (1)	879,825	1,447,691	817,711	1,435,514	(12,178)	1,507,035	-	1,507,035	59,344	4.10%	71,521	4.98%
Professional Services (2)	745,333	424,093	251,535	428,435	4,341	443,967	-	443,967	19,873	4.69%	15,532	3.63%
Travel (3)	75,409	119,678	39,637	109,214	(10,464)	119,625	-	119,625	(53)	(0.04%)	10,411	9.53%
Rental and Maintenance (4)	7,078	9,094	4,029	7,671	(1,423)	9,390	-	9,390	296	3.25%	1,719	22.41%
Depreciation (5)	-	-	-	-	-	-	-	-	-	#DIV/0!	-	#DIV/0!
Interest Expense (6)	70,151	71,746	41,655	71,745	(1)	74,067	-	74,067	2,321	3.24%	2,322	3.24%
Insurance Expense (7)	13,198	17,610	8,390	14,607	(3,003)	15,610	-	15,610	(2,000)	(11.36%)	1,003	6.87%
Administrative Expenses (8)	20,515	24,190	6,752	17,813	(6,377)	19,384	-	19,384	(4,806)	(19.87%)	1,571	8.82%
Meetings and General Training (9)	9,098	10,651	1,526	6,011	(4,640)	8,712	-	8,712	(1,939)	(18.20%)	2,701	44.93%
Total Operating Expenses	1,820,607	2,124,753	1,171,235	2,091,009	(33,744)	2,197,790	-	2,197,790	73,036	3.44%	106,780	5.11%
Revenues Over (Under) Expenses	\$ (322,500)	\$ (104,753)	\$ 300,117	\$ 943	\$ 105,696	\$ (5,790)	\$ -	\$ (5,790)	\$ 98,964	(94.47%)	\$ (6,732)	(714.17%)

Estimated IIPRC Funding Analysis:	2016	2017
Funds Remaining as of July 31, 2016 and January 1, 2017	\$ 349,381	\$ 86,514
Draws on NAIC Line of Credit		
Total Funding Available	349,381	86,514
Balance sheet liabilities to satisfy from cash		-
Revenue Over/(Under) Expense	(299,174)	(5,790)
Adjustments for Non-Cash items:		
Insurance expense	6,217	15,610
Depreciation expense	-	-
Interest expense recorded monthly	30,090	74,067
IIPRC Funding Available at Year-End	\$ 86,514	\$ 170,402

- (1) The expenses included in this line are found on pages: E1: Salaries, E2: Payroll Taxes, E3: Employee Benefits, and E4: Employee Development.
- (2) The expenses included in this line are found on page E5: Professional Services.
- (3) The expenses included in this line are found on E6: Travel.
- (4) The expenses included in this line are found on page E7: Occupancy and page E9: Equipment Rental and Maintenance.
- (5) The expenses included in this line are found on page E10: Interest Expense.
- (6) The expenses included in this line are found on page E11: Insurance.
- (7) The expenses included in this line are found on page E12: Office Services and E13: Other Expenses.
- (8) The expenses included in this line are found on page E:8 Meetings.

2017 BUDGET ANALYSIS

BUDGET ITEM: Revenues

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

Description	2015 Actual	2016 Budget	6/30/16 Actual	12/31/16 Projected	2017 Budget	Increase (Decrease) from	Percentage
						2016 Budget	
Filing Fees (1)	\$ 682,295	\$ 1,120,250	\$ 574,971	\$ 1,148,821	\$ 1,242,250	\$ 122,000	10.89%
Annual Registration Fees (2)	815,750	899,750	896,000	942,750	949,750	50,000	5.56%
Interest Income (3)	62	-	381	381	-	-	0.00%
Total	\$ 1,498,107	\$ 2,020,000	\$ 1,471,352	\$ 2,091,952	\$ 2,192,000	\$ 172,000	8.51%

(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).

	<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	538	\$ 625	106
<u>Submissions w/o Actuarial Review</u>	\$ 600	580	\$ 300	58
<u>Regional Filer</u>				
<u>Submissions w/ Actuarial Review</u>	\$ 625	21	\$ 300	8
<u>Submissions w/o Actuarial Review</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	158	\$ 2,500	28
<u>Annual Registration Fee July 1 or after</u>	\$ 2,500	20	\$ 1,250	6
<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	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.

2017 BUDGET ANALYSIS

BUDGET ITEM: Salaries

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

<u>Description</u>	2015	2016	6/30/16	12/31/16	2017	Increase (Decrease) from	<u>Percentage</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>2016 Budget</u>	
Salaries-Existing Employees (1)	\$ 709,123	\$ 1,174,422	\$ 659,225	\$ 1,157,874	\$ 1,206,132	\$ 31,710	2.70%
Salaries-New Employees	-	-	-	-	-	-	0.00%
Turnover Factor	-	(3,660)	-	-	-	3,660	(100.00%)
Overtime (2)	1,178	-	358	358	-	-	0.00%
Total	\$ 710,301	\$ 1,170,762	\$ 659,583	\$ 1,158,232	\$ 1,206,132	\$ 35,370	3.02%

(1) The IIPRC currently has 10 full-time employees: Executive Director, Assistant Director of Product Operations, Senior Operations Manager, Product Filing Support Coordinator, three Product Reviewers, two Actuaries, one Administrative Assistant, and one part-time Administrative Assistant. The IIPRC had four new hires in 2016 – two positions were reallocated from a consultant under Professional Services to an employee under Salaries. The 2017 budget includes an assumption of a combined 2.7% salary adjustment for cost-of-living and merit-based increases.

(2) The IIPRC has two non-exempt employees and does not anticipate scheduled overtime will be needed in 2017.

2017 BUDGET ANALYSIS

BUDGET ITEM: Payroll Taxes

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

<u>Description</u>	2015		2016		6/30/16		12/31/16		2017		<u>Percentage</u>
	<u>Actual</u>		<u>Budget</u>		<u>Actual</u>		<u>Projected</u>		<u>Budget</u>	Increase (Decrease) from 2016 Budget	
FICA (1)	\$ 48,308	\$	77,691	\$	50,238	\$	77,316	\$	78,571	\$ 880	1.13%
FICA Turnover (2)	-		(239)		-		-		-	239	(100.00%)
Unemployment Compensation (3)	1,981		3,690		5,172		5,172		3,457	(233)	(6.31%)
Total	\$ 50,289	\$	81,142	\$	55,410	\$	82,488	\$	82,028	\$ 886	1.09%

(1) FICA is related to the projected FICA wage base and 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.

2017 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>	2015		2016		6/30/16	12/31/16	Increase (Decrease) from		<u>Percentage</u>
	<u>Actual</u>		<u>Budget</u>		<u>Actual</u>	<u>Projected</u>	<u>2017 Budget</u>	<u>2016 Budget</u>	
Pension (1)	\$ 27,415	\$	40,292	\$	16,680	\$ 36,882	\$ 63,938	\$ 23,646	58.69%
Health Benefits (2)	85,379		143,001		78,378	145,380	138,164	(4,837)	(3.38%)
Group Life and Disability (3)	3,773		4,439		3,645	6,372	8,683	4,244	95.59%
Total	<u>\$ 116,567</u>	<u>\$</u>	<u>187,732</u>	<u>\$</u>	<u>98,703</u>	<u>\$ 188,633</u>	<u>\$ 210,785</u>	<u>\$ 23,053</u>	<u>12.28%</u>

(1) A 457 plan and 401(a) plan is in effect for IIPRC employees. In 2017, all employees will be eligible for IIPRC matching contribution under these plans for the full calendar year which contributes to an increase in the budget line.

(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 estimated decrease is due to budgeting based on actual plan selection for 2017.

(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 2017.

2017 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>2015 Actual</u>	<u>2016 Budget</u>	<u>6/30/16 Actual</u>	<u>Projected 12/31/16</u>	<u>2017 Budget</u>	<u>Increase (Decrease) from 2016 Budget</u>	<u>Percentage</u>
Employee Relations (1)	1,888	4,300	796	2,646	4,500	200	4.65%
Professional Association Dues (2)	\$ 780	\$ 3,755	\$ 3,220	\$ 3,515	\$ 3,590	\$ (165)	(4.39%)
Total	\$ 2,668	\$ 8,055	\$ 4,016	\$ 6,161	\$ 8,090	\$ 35	0.43%

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

(2) 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.

2017 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.

<u>Description</u>	2015		2016		2017		Increase (Decrease) from 2016 Budget	Percentage
	<u>Actual</u>	<u>Budget</u>	<u>6/30/16 Actual</u>	<u>12/31/16 Projected</u>	<u>Budget</u>	<u>2017 Budget</u>		
Professional Services-Computer (1)	\$ 25,000	\$ 25,000	\$ 14,583	\$ 25,000	\$ 25,000	\$ -	0.00%	
Other Professional Services (2)	691,451	358,861	209,308	358,823	369,141	10,280	2.86%	
Legal (3)	21,571	32,500	22,185	35,727	40,000	7,500	23.08%	
Computer Services (4)	7,311	7,732	5,459	8,885	9,826	2,094	27.08%	
Total	\$ 745,333	\$ 424,093	\$ 251,535	\$ 428,435	\$ 443,967	\$ 19,873	4.69%	

(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 (\$5,810); Annual Audit fees (\$7,550); and Consultant fees (\$230,781). The IIPRC currently has three (3) consultants: 1) one (1) Product Reviewer Consultant; 2) one (1) part-time Actuarial Consultant; and 3) one (1) part-time Regulatory Consultant.

(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 2017 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 expenses related to the Consultants and remote employees monthly internet services to connect to the SERFF filing platform and the IIPRC office. Additionally, the expenses related to the electronic mobile devices for the senior management staff are included in this line.

2017 BUDGET ANALYSIS

BUDGET ITEM: Travel

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

<u>Description</u>	2015		2016		6/30/16		12/31/16		2017		Increase (Decrease) from 2016 Budget	Percentage
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>2016 Budget</u>				
Staff Travel (1)	\$ 24,615	\$ 41,952	\$ 21,343	\$ 46,132	\$ 46,565	\$ 4,613					11.00%	
Marketing Travel (2)	18,727	29,650	6,912	22,048	29,900	250					0.84%	
Non-Staff/Commissioner Travel (3)	32,067	48,076	11,382	41,034	43,160	(4,916)					(10.23%)	
Total	\$ 75,409	\$ 119,678	\$ 39,637	\$ 109,214	\$ 119,625	\$ (53)					(0.04%)	

(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 35 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 \$1,300.

(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".

(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 consultant). This line item also includes costs associated with Commissioner travel for IIPRC outreach and other business.

2017 BUDGET ANALYSIS

BUDGET ITEM: Occupancy

ITEM DESCRIPTION: Includes monthly commuting benefits incurred for IIPRC staff.

<u>Description</u>	<u>2015 Actual</u>	<u>2016 Budget</u>	<u>6/30/16 Actual</u>	<u>12/31/16 Projected</u>	<u>2017 Budget</u>	<u>Increase (Decrease) from 2016 Budget</u>	<u>Percentage</u>
Occupancy (1)	\$ 7,078	\$ 7,829	\$ 4,029	\$ 7,671	\$ 8,124	\$ 295	3.77%

(1) This line item includes monthly commuting benefits for the DC based IIPRC employees at a cost of \$287 per month for the full year. Also, included in this line are the costs associated with parking for the four (4) Kansas City based employees. The increase in the 2017 budget is attributed to the retention of a new part-time employee in Kansas City.

2017 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>2015 Actual</u>	<u>2016 Budget</u>	<u>6/30/16 Actual</u>	<u>12/31/16 Projected</u>	<u>2017 Budget</u>	<u>Increase (Decrease) from 2016 Budget</u>	<u>Percentage</u>
Meetings (1)	\$ 9,098	\$ 10,651	\$ 1,526	\$ 6,011	\$ 8,712	\$ (1,939)	(18.20%)

(1) Costs associated with the IIPRC's in-person meetings including costs for the audio visual, telecommunications equipment, technicians, food, and beverage for meeting attendees.

2017 BUDGET ANALYSIS

BUDGET ITEM: Equipment Rental and Maintenance

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

<u>Description</u>	<u>2015 Actual</u>	<u>2016 Budget</u>	<u>6/30/16 Actual</u>	<u>12/31/16 Projected</u>	<u>2017 Budget</u>	<u>Increase (Decrease) from 2016 Budget</u>	<u>Percentage</u>
Equipment, Hardware and Software Maintenance (1)	\$ -	\$ 1,265	\$ -	\$ -	\$ 1,266	\$ 1	0.08%
Total	\$ -	\$ 1,265	\$ -	\$ -	\$ 1,266	\$ 1	0.08%

(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.

2017 BUDGET ANALYSIS

BUDGET ITEM: Interest Expense

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

<u>Description</u>	2015		2016		6/30/16		Projected		2017		Increase (Decrease) from 2016 Budget	Percentage
	<u>Actual</u>		<u>Budget</u>		<u>Actual</u>		<u>12/31/16</u>		<u>Budget</u>	<u>2016 Budget</u>		
Interest Expense (1)	\$ 70,151	\$	71,746	\$	41,655	\$	71,745	\$	74,067	\$	2,321	3.24%

(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. Since 2013, the NAIC has authorized a line of credit and the IIPRC has not utilized the available credit. Based on current projections, the IIPRC does not anticipate need to draw on the 2016 line of credit. The IIPRC will seek a line of credit in 2017 though expects to need a minimal amount, if any.

2017 BUDGET ANALYSIS

BUDGET ITEM: Insurance

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

<u>Description</u>	2015 <u>Actual</u>	2016 <u>Budget</u>	6/30/16 <u>Actual</u>	12/31/16 <u>Projected</u>	2017 <u>Budget</u>	Increase (Decrease) from		<u>Percentage</u>
						<u>2016 Budget</u>		
General Business Insurance (1)	\$ 13,198	\$ 17,610	\$ 8,390	\$ 14,607	\$ 15,610	\$ (2,000)		(11.36%)

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

2017 BUDGET ANALYSIS

BUDGET ITEM: Office Services

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

<u>Description</u>	2015		2016		6/30/16	12/31/16	2017	Increase (Decrease) from	<u>Percentage</u>
	<u>Actual</u>		<u>Budget</u>		<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>2016 Budget</u>	
Telephone (1)	\$ 9,981	\$	11,750	\$	5,985	\$ 11,135	\$ 12,000	\$ 250	2.13%
Other Supplies (2)	155		500		74	124	250	(250)	(50.00%)
Non-Capital Equipment (3)	5,690		10,415		107	5,543	6,134	(4,281)	(41.10%)
Mail Services (4)	763		950		412	837	1,000	50	5.26%
Total	\$ 16,589	\$	23,615	\$	6,578	\$ 17,639	\$ 19,384	\$ (4,231)	(17.92%)

(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.

(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 2017. 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. The reduction in expenses is due to anticipated expenses that were not incurred related to the recent new hires in 2015 and in 2016.

(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.

2017 BUDGET ANALYSIS

BUDGET ITEM: Other Expenses

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

<u>Description</u>	2015		2016		6/30/16		12/31/16		2017		Increase (Decrease) from 2016 Budget	Percentage
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>2016 Budget</u>				
Reference Materials (1)	\$ 225	\$ -	\$ 14	\$ 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	
Training Expenses (2)	-	-	-	-	-	-	-	-	-	-	0.00%	
Recruiting Expense (3)	3,701	575	160	160	-	-	-	(575)	(100.00%)			
Total	\$ 3,926	\$ 575	\$ 174	\$ 174	\$ -	\$ -	\$ -	\$ (575)	(100.00%)			

(1) It is expected that the IIPRC Office will not need to purchase reference materials in 2017.

(2) It is not anticipated that the IIPRC Office will incur expenses for training materials.

(3) It is anticipated that the IIPRC Office will incur minimal expenses associated with recruiting in 2017.