

# PUBLIC SERVICE COMMISSION

COMMERCE AND WORKFORCE SERVICES APPROPRIATIONS SUBCOMMITTEE  
STAFF: DANNY SCHOENFELD

## BUDGET BRIEF

### SUMMARY

The Commission ensures safe, reliable and adequate utility service. It conducts hearings and investigations of utility company operations in order to determine just and reasonable rates for service. The Commission's goals are efficient, reliable, reasonably-priced utility service for customers, and maintenance of financially healthy utility companies. These goals are generally attained through the regulatory decisions the Commission makes in each formal case.

### ISSUES AND RECOMMENDATIONS

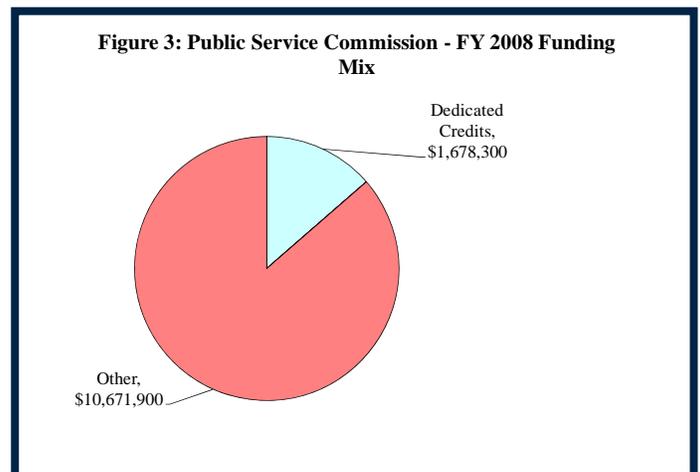
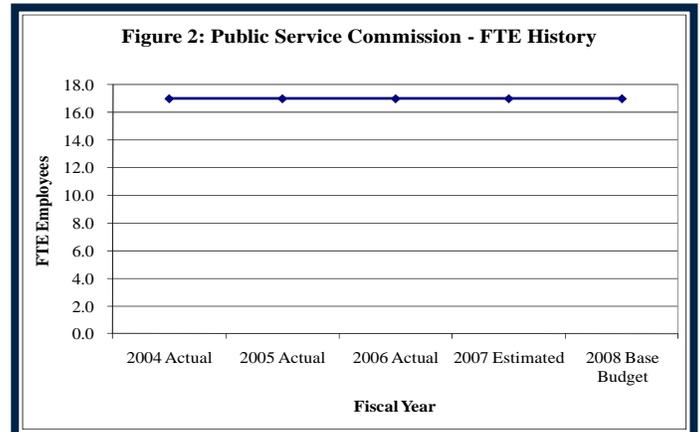
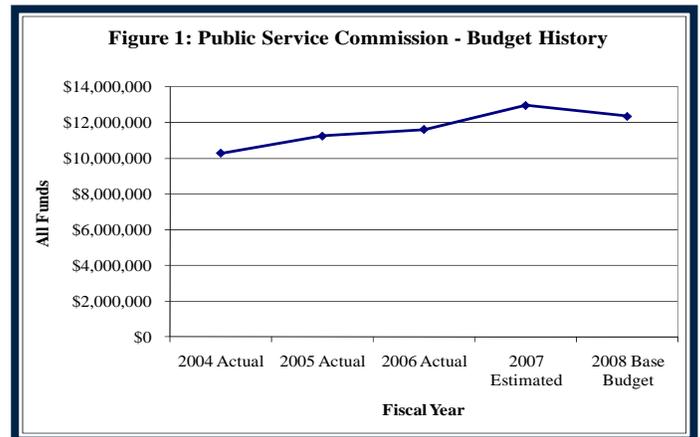
The Executive Appropriations Committee (EAC) has made base budget allocations to the various appropriations subcommittees. The budget detail table on page 3 reflects the allocation for Public Service Commission, but does not include funding for the recommendations presented in this brief or other budget priorities the subcommittee may wish to consider.

The co-chairs of the EAC recommend that the subcommittee complete the following tasks: review agency base budgets; reallocate revenue where possible within the base budget to meet new subcommittee budget priorities; and, develop a priority list, to be submitted to the EAC, of new budget priorities not completed through budgetary reallocations.

### *Issue Briefs*

One Issue Brief provides the subcommittee with additional information on FY 2011 budget issues. Please refer to these Issue Briefs for additional information on the following topics:

- Federal Funds provides information on all federal funds received by agencies.



## **Performance Measures**

During the 2009 General Session the Legislative Fiscal Analyst asked the Public Service Commission to work to develop a set of performance measures. The Public Service Commission to date has not presented a set of measures.

## **FY 2010 and FY 2011 Agency Budget Requests**

### ***PSC Document Management System***

The Public Service Commission is requesting a supplemental appropriation of \$25,000 in FY 2011 from the Commerce Service Fund-Public Utility Regulatory Fund for the development and maintenance of a new document management system. This would allow the PSC to make all legal and public documents available immediately on the web.

## **BUDGET DETAIL**

The Public Service Commission receives the majority of its revenue from Restricted Revenue. The following table details the remaining revenue supporting Public Service Commission, as well as, program expenditures and division budgets. The total budget for the Public Service Commission totals \$12.3 million.

***Universal Public Telecom Service Fund Balance***-This restricted fund was created by the Legislature to ensure the all citizens have access to affordable telecommunications. It does so by subsidizing costs in rural areas where costs would otherwise be prohibitive.

Revenues come from a fee imposed by the commission on all corporations that provide intrastate telecommunication.

***Speech and Hearing Impaired Program***- provides telecommunication access twenty-four hours a day to hearing or speech impaired persons through Relay Utah. The services are now contracted through SPRINT. SPRINT employs people who use a computer to receive text telephone messages from a TTY (text telephone) and relay the information to the called party.

The Commission loans specialized telecommunications equipment to individuals who have hearing or speech barriers. The Commission has an advertising campaign to educate the deaf and the hearing public about 7-1-1 and the telecommunication relay service.

Funds collected and carried over from the previous year are used to fund the complete program.

**BUDGET TABLE**

Public Service Commission						
	FY 2006	FY 2007		FY 2007		FY 2008*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Base Budget
Dedicated Credits Revenue	1,510,900	1,857,700	(301,200)	1,556,500	121,800	1,678,300
GFR - CSF - PURF	1,608,700	1,709,000	0	1,709,000	4,700	1,713,700
Trust and Agency Funds	10,489,600	0	7,906,300	7,906,300	(7,906,300)	0
Universal Public Telecom Service Fund	0	8,100,900	(8,100,900)	0	8,100,900	8,100,900
Beginning Nonlapsing	9,173,800	8,218,800	2,944,000	11,162,800	(1,794,500)	9,368,300
Closing Nonlapsing	(11,162,800)	(7,070,200)	(2,298,100)	(9,368,300)	857,300	(8,511,000)
<b>Total</b>	<b>\$11,620,200</b>	<b>\$12,816,200</b>	<b>\$150,100</b>	<b>\$12,966,300</b>	<b>(\$616,100)</b>	<b>\$12,350,200</b>
<b>Line Items</b>						
Public Service Commission	1,618,900	2,220,800	93,400	2,314,200	(188,700)	2,125,500
Research and Analysis	78,100	60,000	0	60,000	0	60,000
Speech and Hearing Impaired	1,476,500	2,266,900	(121,500)	2,145,400	(106,300)	2,039,100
Universal Telecommunications Support Fund	8,446,700	8,268,500	178,200	8,446,700	(321,100)	8,125,600
<b>Total</b>	<b>\$11,620,200</b>	<b>\$12,816,200</b>	<b>\$150,100</b>	<b>\$12,966,300</b>	<b>(\$616,100)</b>	<b>\$12,350,200</b>
<b>Categories of Expenditure</b>						
Personal Services	1,335,900	1,574,800	(58,900)	1,515,900	10,200	1,526,100
In-State Travel	10,000	9,800	10,600	20,400	(9,300)	11,100
Out of State Travel	35,900	35,100	13,600	48,700	(6,500)	42,200
Current Expense	1,506,600	1,910,200	(45,000)	1,865,200	(136,900)	1,728,300
DP Current Expense	22,900	20,100	77,900	98,000	(42,800)	55,200
DP Capital Outlay	0	0	75,500	75,500	(73,500)	2,000
Other Charges/Pass Thru	8,708,900	9,127,600	215,000	9,342,600	(357,300)	8,985,300
Trust & Agency Disbursements	0	138,600	(138,600)	0	0	0
<b>Total</b>	<b>\$11,620,200</b>	<b>\$12,816,200</b>	<b>\$150,100</b>	<b>\$12,966,300</b>	<b>(\$616,100)</b>	<b>\$12,350,200</b>
<b>Other Data</b>						
Budgeted FTE	17.0	17.0	0.0	17.0	0.0	17.0

\*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

**LEGISLATIVE ACTION**

The Executive Appropriations Committee adopted FY 2011 General and Education Fund revenue estimates that are 98% of the original FY 2010 ongoing appropriations. The FY 2011 base budget bills (S.B. 1 and H.B. 1) reduce appropriations for all line items and programs proportionately to match revenues. However, the Executive Appropriations Committee allocated 95% of original FY 2010 ongoing appropriations to each subcommittee and directed the subcommittees to compile a list of options equal to a 5% ongoing cut. The Executive Appropriations Committee will use these options to make final adjustments to the FY 2011 budget.

This section summarizes what actions might be taken if the Legislature wishes to adopt the recommendations presented in this brief. The Analyst recommends that the Legislature consider:

1. Adopt the base budget amount of \$12,530,200 for the Public Service Commission as detailed above.
2. Consider the budget issues raised in the Issue Briefs mentioned in this brief. The subcommittee may wish to include these items in its prioritized recommendations to Executive Appropriations Committee.