

DRAFT**Agenda ID # 3121
01/22/04****PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA****Telecommunications Division
Public Programs Branch****RESOLUTION T-16816
January 22, 2004****R E S O L U T I O N****Resolution T-16816. Revises the Fiscal Year 2003/2004 Budget and Surcharge Rate for the Deaf and Disabled Telecommunications Program Adopted in Resolution T-16747.****Summary**

This resolution approves a revised budget of \$69,116,480 for fiscal year (FY) 2003-04 for the Deaf and Disabled Telecommunications Program (DDTP) and revises the current DDTP surcharge rate from 0.047% to 0.20% to take effect on February 1, 2004 until further revised by the Commission.

Background

On June 5, 2003, the California Public Utilities Commission (Commission) in Resolution T-16747, adopted a budget of \$57,164,827 for Fiscal Year (FY) 2003-04 for the DDTP as summarized in the following tabulation:

	Resolution T-16747
SB 597	\$2,519,800
SB 60	7,048,463
SB 244	29,080,938
Equipment Program	1,928,650
Field Operations	3,685,217
Customer Contact	5,359,657
California Relay Service (CRS)	708,985
Marketing and Outreach	3,772,066
Administration	3,061,054
Total	\$57,164,827

For the funding of the above budget, Resolution T-16747 also adopted a surcharge rate of 0.047% effective July 1, 2003. This surcharge rate was developed based on a projected

fund balance available for program purposes of \$56.721 million as of July 1, 2003, a projected total telecommunications billing base subject to surcharge of \$19.846 billion, and approximately \$4.713 million fund balance at the end of the fiscal year, i.e. June 30, 2004.

Discussion

In this Resolution, the Commission adopts the following:

- A revised DDTP budget for FY 2003-04 in the amount of \$69,116,480.
- A revised DDTP surcharge from the current rate of 0.047% to 0.20%. This revised surcharge rate will take effect on February 1, 2004 and until further revised by the Commission.

On December 22, 2003, the Commission’s Telecommunications Division (TD) issued a Draft Resolution T-16815¹ augmenting DDTP’s FY 2003-04 budget by an additional sum of \$11,952,173. DDTP’s revised FY 2003-04 budget of \$69,116,480 adopted in this Resolution reflects the sum of \$57,164,827 adopted in Resolution T-16747 and \$11,952,173 budget augmentation recommended by TD in Resolution T-16815 as summarized below and detailed in Appendix A of this Resolution:

	Resolution T-16747	Increase / (Decrease) per Resolution T-16815	Proposed Revised Budget for FY 2003-04	Adopted Revised Budget for FY 2003-04
SB 597	\$2,519,800	\$444,789	\$2,964,589	\$2,964,589
SB 60	7,048,463	1,265,937	8,314,400	8,314,400
SB 244	29,080,938	0	29,080,938	29,080,938
Equipment Program	1,928,650	1,833,469	3,762,119	3,762,119
Field Operations	3,685,217	1,065,377	4,750,594	4,750,594
Customer Contact	5,359,657	2,696,198	8,055,855	8,055,855
CA Relay Service (CRS)	708,985	950,730	1,659,715	1,659,715
Marketing and Outreach	3,772,066	1,608,421	5,380,485	5,380,485
Administration	3,061,054	2,086,733	5,147,787	5,147,787
Total	\$57,164,827	\$11,951,655	\$69,116,480	\$69,116,480

The existing DDTP surcharge rate of 0.047% is maintained until January 27, 2004. The revised surcharge rate of .20% is effective February 1, 2004 until further revised by the

¹ Draft Resolution T-16815 is scheduled to be on Commission’s January 22, 2004 meeting agenda.

Commission. The maintenance of the surcharge rate at 0.047% until January 31, 2004 and its revision to 0.20% effective February 1, 2004 will be sufficient to fund the DDTP expenses of \$69,116,480 and leave an estimated balance of \$8,097,889 on June 30, 2004.

All certificated telecommunications carriers required to file tariffs with the Commission shall file advice letters by January 31, 2004 revising the DDTP surcharge rate consistent with this Resolution.

Comments

In compliance with PU Code § 311 (g), the draft of this Resolution was mailed on December 23, 2003 to the parties of record to Investigation (I.) 87-11-031, Rulemaking (R.) 00-05-001, R.03-03-014, The Telecommunications Access for the Deaf and Disabled Administrative Committee members, California Relay Service Advisory Committee members and the Equipment Program Advisory Committee members. A copy of the transmittal letter of this mailing was also sent to each of the Commission certificated telecommunications carriers informing parties that this draft resolution is available at the Commission's website:

www.cpuc.ca.gov/static/industry/telco/resolutions/index.htm, and is available for public comments. In addition, TD informed these parties of the availability of the conformed resolution at the same website.

Comments received on a timely basis will be addressed by TD regarding this resolution.

Findings

1. On June 5, 2003, the California Public Utilities Commission (Commission) approved Resolution T-16747 adopting the Deaf and Disabled Telephone Program (DDTP) Budget of \$57,164,827 for Fiscal Year (FY) 03/04 and a surcharge rate of 0.047% effective July 1, 2003 until further revised by the Commission.
2. On January 22, 2004, the Commission approved Resolution T-16815, augmenting the DDTP budget as set forth in Resolution T-16747, in the amount of \$11,951,655, as detailed in Appendix A of this resolution.
3. The State Budget Act for FY 03/04 includes a \$69,117,000 DDTP budget appropriation.
4. Based on the average reported telecommunications revenues subject to surcharge in recent months annualized and the forecasted growth of such surcharge remittance

revenues, the estimated intrastate billings subject to surcharge are revised to \$20.045 billion for FY 03/04 from \$19.846 billion.

5. The DDTP revised budget for FY 03/04 utilizes existing budget appropriations authority to amend and encumber existing service contracts, and includes additional unanticipated expenses.
6. The revised DDTP budget for FY 03/04 in the amount of \$69,116,480 is reasonable and should be adopted.
7. The existing surcharge rate of 0.047% should remain in effect until January 31, 2002.
8. A revised surcharge rate of 0.20% should be implemented effective February 1, 2003.
9. All certificated telecommunications carriers required to file tariffs with the Commission should file advice letters by January 27, 2004 revising the DDTP surcharge rate consistent with this Resolution.
10. The draft of this resolution and transmittal letter was mailed on December 23, 2003 to the parties of record to Investigation (I.) 87-11-031, Rulemaking (R.) 00-05-001, R.03-03-014, The Telecommunications Access for the Deaf and Disabled Administrative Committee members, California Relay Service Advisory Committee members and the Equipment Program Advisory Committee members.
11. A copy of the transmittal letter was sent to the members of the services lists described above and was also sent to each of the Commission certificated telecommunications carriers advising them of the availability of this draft resolution and the conformed resolution, when adopted by the Commission on the Commission's web site.

THEREFORE, IT IS ORDERED that:

1. The revised budget for the Deaf and Disabled Telephone Program (DDTP) for Fiscal Year 2003-04 of \$69,116,480, as set forth in column c of Appendix B of this resolution, is adopted.
2. A surcharge level of 0.047% shall remain in effect until January 31, 2004.
3. A surcharge level of 0.20% is adopted effective February 1, 2004. All certificated telecommunications carriers in California shall apply this surcharge rate on their end-users' bills rendered on or after February 1, 2004.

4. All certificated telecommunications carriers required to file tariffs with the Commission shall file advice letters by January 27, 2004 revising the DDTP surcharge rate consistent with this Resolution.

This Resolution is effective today.

I hereby certify that the Public Utilities Commission, at its regular meeting, on January 22, 2004, adopted this Resolution. The following Commissioners approved it:

WILLIAM AHERN
Executive Director

APPENDIX A
DEAF AND DISABLED TELECOMMUNICATIONS PROGRAM
FY 03 – 04 BUDGET AUGMENTATION
REVISED FY 03 – 04 BUDGET

FY 03 - 04 DDTP Budget Augmentation

One World	\$1,025,000	Provides marketing assistance through FY 03 - 04.
CCAF	\$2,536,613	Amends 03 - 04 contract and provides budget for the first three months of FY 04 - 05.
HSO	\$874,632	Amends HSO 03 - 04 contract and extends contract through FY 04 - 05.
CSD	\$2,476,000	Provides budget to extend existing contract through FY 04 - 05.
DRC	\$611,000	Provides budget coverage through FY 04 - 05.
PNS	\$1,095,638	Provides a budget for the existing contract through FY 04 - 05.
Riptide	\$144,100	Provides budget to extend existing contract through FY 04 - 05.
Communications Assistance (CA)	\$569,106	Provides a budget to account for a new contract for Life Signs and continue CA services through FY 04 - 05.
Facility Rents	\$708,840	Provides the budget to cover existing rents through FY 04 - 05.
Equipment Contracts	\$1,710,726	Provides a budget to cover a portion of FY 04 - 05 equipment expenses.
Commission Legal Staff	\$200,000	Provides budget authority for Commission Legal costs already incurred through FY 03 - 04.

Total Amendments and Encumbrances **\$11,951,655**

FY 03 - 04 Appropriations Authority (AA) **\$11,952,173**

Appropriations Authority After Encumbrances and Amendments **\$518**

APPENDIX B

Revised Budget for Services Provided to the
Deaf and Disabled Telecommunications Program
2003-2004

	A adopted 2003-2004 budget	B proposed 2003-2004 revised budget	C revised 2003-2004 budget
Fund Balance as of December 23, 2003	42,472,172	39,362,209	39,362,209
Billing Base	19,845,588,000	2,045,000,000	2,045,000,000
Surcharge Rate	0.000470	0.002000	0.002000
REVENUE			
Surcharges	9,327,426	25,010,249	35,010,249
Investment Income	0	0	0
Miscellaneous Income	0	0	0
CRS Damage Assessments	0	0	0
Interest Income	570,000	2,841,911	2,841,911
Total Revenue	19,406,026	37,852,160	37,852,160
PROGRAM EXPENSES			
TELECOM EXPENSES			
S.B. 597¹	2,519,800	2,964,589	2,964,589
S.B. 60¹	7,048,463	8,314,400	8,314,400
S.B. 244¹	29,080,938	29,080,938	29,080,938
Total Telecom Expenses	38,649,201	40,359,927	40,359,927
ADMIN / DEPT EXPENSES			
Interpreters	150,000	468,699	468,699
Audit/Accounting	700,000	700,000	700,000
Legal	0	0	0
Consultants	0	0	0
Financial Advisor	0	0	0
Trustee	0	0	0
DDTP Office Expense	2,037,363	3,428,974	3,428,974
Committees	168,800	168,800	168,800
Equipment Program	1,892,651	3,731,811	3,731,811
Field Operations	3,649,218	4,743,050	4,743,050
Customer Contact	5,323,658	8,048,311	8,048,311
CRS	684,869	1,646,981	1,646,981
Outreach Media & Materials	1,950,000	1,950,000	1,950,000
Outreach Specialists	1,786,067	3,496,927	3,496,927
Other Program Expenses¹	173,000	373,000	373,000
Total Admin / Dept Expenses	18,515,626	28,756,553	28,756,553
TOTAL EXPENSES	57,164,827	69,116,480	69,116,480
Fund Balance as of June 30, 2004			8,097,889

VIEW 1: View Before Allocations and Apportionments

**Budget for Services Provided
 to the Deaf and Disabled Telecommunications Program
 2003-2004**

	C revised 2003-2004 budget
Beginning Fund Balance	39,362,209
REVENUE	
Surcharges	35,010,249
Toll Revenues	0
Investment Income	0
Miscellaneous Income	0
CRS Damage Assessments	0
Interest Income	2,841,911
Total Revenue	37,852,160
DISBURSEMENTS	
S.B. 597	2,964,589
S.B. 60	8,314,400
S.B. 244	29,080,938
Total Program Disbursements	40,359,927
Equipment Program	3,731,811
Field Operations	4,743,050
Customer Contact	8,048,311
CRS	1,646,981
Marketing & Outreach	5,446,927
Administration	3,856,133
Shared Expenses	1,283,340
Total Disbursements	69,116,480

VIEW 2(a): View After Apportionments

**Budget for Services Provided
 to the Deaf and Disabled Telecommunications Program
 2003-2004**

	C revised 2003-2004 budget
Beginning Fund Balance	39,362,209
REVENUE	
Surcharges	35,010,249
Toll Revenues	0
Investment Income	0
Miscellaneous Income	0
CRS Damage Assessments	0
Interest Income	2,841,911
Total Revenue	37,852,160
DISBURSEMENTS	
S.B. 597	2,964,589
S.B. 60	8,314,400
S.B. 244	29,080,938
Total Program Disbursements	40,359,927
Equipment Program	3,863,995
Field Operations	4,875,234
Customer Contact	8,180,495
CRS	1,735,531
Marketing & Outreach	5,579,111
Administration	4,522,186
Total Disbursements	69,116,480

VIEW 2: View After Apportionments and Allocations

**Budget for Services Provided
to the Deaf and Disabled Telecommunications Program
2003-2004**

	C revised 2003-2004 budget
Beginning Fund Balance	39,362,209
REVENUE	
Surcharges	35,010,249
Toll Revenues	0
Investment Income	0
Miscellaneous Income	0
CRS Damage Assessments	0
Interest Income	2,841,911
Total Revenue	37,852,160
DISBURSEMENTS	
S.B. 597	5,772,384
S.B. 60	26,052,752
S.B. 244	32,769,158
Total Program Disbursements	64,594,294
Equipment Program	0
Field Operations	0
Customer Contact	0
CRS	0
Marketing & Outreach	0
Administration	4,522,186
Total Disbursements	69,116,480