TD / MJP

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Telecommunications Division **RESOLUTION T-16590**
Public Programs Branch * **November 8, 2001**

R E S O L U T I O N

RESOLUTION NO. T-16590. REVISED FISCAL YEAR 2001-2002 BUDGET FOR THE PERIOD OF JULY 1, 2001, THROUGH JUNE 30, 2002, FOR THE PAYPHONE SERVICE PROVIDERS ENFORCEMENT PROGRAM (PSPE), THE PUBLIC POLICY PAYPHONE PROGRAM (PPPP) AND THE TELECOMMUNICATIONS DEVICES FOR THE DEAF (TDD) PLACEMENT INTERIM COMMITTEE PROGRAM (TPIC) TO COMPLY WITH THE REQUIREMENTS OF PUBLIC UTILITIES CODE SECTIONS 270 THROUGH 281.

SUMMARY

This resolution revises the 2001-2002 fiscal year program budgets for the PSPE, PPPP and TPIC to reflect the funding included in the adopted State Budget for the three payphone programs as well as the organizational and administrative expenses associated with compliance with Public Utilities (P.U.) Code Sections 270 through 281 (Chapter 1.5 to Part 1, Division 1 of the P.U. Code). These new code sections have been created by the adoption of Senate Bill (SB) 669, as amended by SB 742, which requires the transfer of the funds for TPIC and PSPE into the State Treasury.

SB 669 did not address the PPPP. In Resolution T- 16364, dated February 3, 2000, the Commission recommended that the PPPP funds also be deposited into the State Treasury and included in the transition plan concerning all of the program funds affected by SB 669. The payphone program funds were transferred by October 1, 2001, to the Commission and thereafter by the Commission to the State Controller. The Commission internalized the three payphone programs, as well as certain other public programs funded by ratepayer surcharges. The payphone programs are being operated effective October 1, 2001, by the Commission's Consumer Services Division.

This resolution adopts the Telecommunication Division (TD) staff estimates expenses and revenues for the period of July 1, 2001, through June 30, 2002. For PSPE, TD estimates expenses of $1,199,550 and revenues of $319,694. TD recommends a

continuation of the $0.10 per payphone line per month surcharge until further order of the Commission.

For PPPP, TD estimates expenses of $258,837, revenues of $100,648 and a balance of $701,108 on June 30, 2002. For TPIC, TD estimates expenses of $394,130, revenues of $46,300 and a balance of $2,095,172 on June 30, 2002. For both the TPIC and the PPPP, TD recommends a zero surcharge beginning December 1, 2001. APPENDICES A, B and C set forth the original adopted fiscal year 2001-2002 budgets and the revised 2001-2002 budgets to be adopted in this resolution. APPENDIX D shows a summary of SB 669 internal expenses for PSPE set forth in APPENDIX A.

BACKGROUND

The following briefly summaries describe the development and purposes of the three payphone programs. Discussion of the PSPE and TPIC committees refers to responsibilities before the passage of SB 669 and compliance with related statutes. As of October 1, 2001, P.U. Code Section 279 (a) provides for one committee, the Payphone Service Providers Committee (PSPC) to advise the Commission on the payphone programs.

1.*The Payphone Service Providers Enforcement Program (PSPE)*. Commission Decision No. 90-06-018, dated June 6, 1990, established as part of an adopted settlement agreement, the Customer Owned Payphone (COPT) Enforcement Program to implement a payphone enforcement program. The COPT Enforcement Subcommittee was subsequently renamed the PSPE Committee (Committee) and was funded by a surcharge, authorized by the Commission, on the COPT lines. The Commission ordered Payphone Service Providers (PSPs) to pay the surcharge on their COPT lines within all service territories of the State of California.

Prior to the implementation of P.U. Code Sections 270-281, the purpose of the Committee was to serve as a Commission advisory body with the responsibility to assist and make recommendations to the Commission regarding administration of the surcharge monies remitted to the PSPE and to implement the independent administration of the payphone enforcement program. The Committee also made recommendations to the PSPE for the enforcement of payphone consumer safeguards as set forth in the tariffs filed with the Commission. The purpose of the PSPE is to enforce the tariffs, rules and regulations of the Commission, including, but not limited to, signage requirements, rate caps for intraLATA and interLATA calls within the state by inspecting pay telephones and by advising the Local Exchange Carriers (LECs) and Competitive LECs (CLECS) to disconnect pay telephones not in compliance with their respective tariffs. This program has been supported by eight inspectors and a supervisor who inspect payphones throughout the state to ensure compliance with state regulations. A statewide hotline, also administered by the PSPE, has been available to respond to complaints and other inquiries by payphone users as well as payphone owners.

2. *The Public Policy Payphone Program (PPPP)*. In Decision 98-11-029, dated November 5, 1998, the Commission adopted policies and procedures for the PPPP. The PPPP subsidizes payphones for the general public in the interest of public health, safety, and welfare at locations where there would otherwise not be a payphone. Public policy payphones are placed at locations designated as emergency gathering places or locations where residents cannot individually subscribe to telephone service because of unavailability of facilities. California has had a public policy payphone program in place since 1990, pursuant to Decision 90-06-018 (36 CPUC 2nd 446 at 461 1990). This program existed only in the service territories of Pacific Bell and GTE California Incorporated (GTEC), now Verizon. The Commission by Decision 98-11-029 expanded the public policy program statewide. The PSPE program charter provided for the oversight of the PPPP by the PSPE Committee.

3. *TDD Placement Interim Committee (TPIC)*. Pursuant to Decision No. 97-12-104, effective December 16, 1997, the Commission established the TPIC to design and implement a program that provides for publicly available telecommunications devices capable of servicing the needs of the deaf or hearing impaired in existing buildings, structures, facilities, and public accommodations as required by Section 2881.2 of the Public Utilities Code. The TPIC is to be funded by an incremental surcharge of up to 0.0002, or 0.02%, applicable to the billing base to which the Deaf and Disabled Telecommunications Program (DDTP) surcharge is applied. The maximum funding limit for the DDTP surcharge (the aggregate of both the DDTP and the TPIC surcharges) is capped at 0.50%.

Subject to the direction, control, and approval of the Commission, the TPIC mission has been to determine and specify locations within existing buildings, structures, facilities and public accommodations for the placement of program equipment and to ensure consideration for the procurement, installation, and maintenance of the program equipment. The TPIC also advised on meeting the requirements of Section 2881.2 of the Public Utilities Code.

Budget Description

This resolution revises the fiscal year 2001-2002 budgets adopted for each of the three payphone programs, as set forth in Appendices A, B and C. In order to accurately reflect the State Budget amounts, expenses are presented in these attachments on a three and nine month basis but revenues are estimated on a five and seven month basis to reflect the adopted revisions to the surcharge rates effective December 1, 2001.

The expenses recommended in the revised budgets for the PPPP and the TPIC are generally very close to those adopted in the original budgets. The revenue requirements differ significantly in the revised budgets from the original budgets for the PPPP and the TPIC due to the higher carry-over revenue balances. For both of these programs TD recommends that the surcharge rates be reduced to zero effective December 1, 2001.

On January 18, 2001, in Resolution T-16434, the Commission adopted for the PSPE expenses of $1,240,980, revenues of $371,500 and a revenue balance of $875,301 as of June 30, 2002. For the revised budget TD recommends expenses of $ 1,199,550, revenues of $ 319,694 and a revenue balance of $ 1,354,463 as of June 30, 2002. TD recommends continuing the current surcharge rate of $0.10 per pay telephone line per month until further order of the Commission.

On January 18, 2001, in Resolution T-16444, the Commission adopted for the PPPP expenses of $255,348, revenues of $375,196 and a revenue balance of $119,848 as of June 30, 2002. For the revised budget TD recommends expenses of $258,837, revenues of $100,648, a revenue balance of $701,108 on June 30, 2002, and a reduction of the current surcharge rate of $0.08 per pay telephone per month to zero effective December 1, 2001.

On September 7, 2000, in Resolution T-16429, the Commission adopted for the TPIC expenses of $464,179, revenues of $232,800, and a revenue balance of $773,124 as of June 30, 2002. For the revised budget TD recommends expenses of $394,130, revenues of $46,300 and a balance of $2,095,172 on June 30, 2002. TD recommends that the current surcharge of 0.001% be reduced to zero effective December 1,2001.

P.U. Code Sections 270, et al

The California Legislature passed SB 669, and the Governor signed SB 669, in October 1999. The provisions of SB 669, as amended by SB 742 in 2001, are codified as Chapter 1.5 (beginning with Section 270) to Part I, Division 1 of the P.U. Code. P.U. Code Section 270 provides for the creation of six funds in the State Treasury. The Commission budget approved for the fiscal year 2001-02 included funding for the implementation by the payphone programs of the requirements of P. U. Code Sections 270 through 281 for fiscal year 2001-2002 by October 1, 2001. The result is that the funds of the public payphone programs were transferred to the Commission by October 1, 2001.

The following are the key requirements of P.U. Code Sections 270-281 for the public payphone programs:

(A.) P.U. Code Section 279(a) creates one committee, the Payphone Service Providers Committee, to function as an advisory board to advise the Commission regarding the development, implementation, and administration of the payphone programs.

(B.) P.U. Code Section 279(b) provides that all revenues collected by the telephone corporations, in authorized rates to fund the payphone programs, shall be submitted to the Commission pursuant to a schedule established by the Commission. Beginning on October 1, 2001, the Commission shall transfer these moneys to the Controller for deposit in the Payphone Service Providers Committee Fund.

(C.) P.U. Code Section 273 (a) requires all advisory boards to submit an annual budget to the commission, who shall act on the submitted budget within 90 days after the receipt of the budget, and a report describing the activities of the board on an annual or more frequent basis, as ordered by the commission.

(D.) P.U. Code Section 274 provides that the commission may, whenever it determines necessary (a) conduct financial audits of the revenues required to be collected and submitted to the commission for each of the funds specified in Section 270 and (b) conduct a financial and compliance audit of program-related costs and activities at least once every three years, beginning July 1, 2002.

(E.) P.U. Code Section 271(f) states that each member of the board who is not a public utility employee or who is not reimbursed by an employer for expenses incurred when serving on the board, shall be entitled to make a claim for and to receive expense reimbursement, if authorized by the commission.

COMMENTS ON DRAFT RESOLUTION

In accordance with P.U. Code Section 311 (g) (1), a draft resolution prepared by TD was mailed on September 25, 2001, to the parties of record in I.88-04-029, R.98-05-031 and R.97-10-018-I.97-10-019. A notice of availability was mailed to all telecommunications carriers, including LECs and CLECs, informing them of the availability of the draft resolution, as well as the conformed resolution, on the Commission's web site, www.cpuc.ca.gov. A hard copy of the conformed copy of the resolution will be provided to all parties on the appropriate service lists. This means of distribution is consistent with the Commission's commitment to utilize the CPUC Internet for distributing Commission orders and information.

Three comments and one protest were received on the draft resolution. The California Payphone Association (CPA) notes that the draft resolution drastically increases the PSPE budget, which results in a need to raise the surcharge rate for the PSPE by 70%, while not raising the surcharge rates for the other two programs. CPA urges the Commission to implement the proposed budgets for the PPPP and the TPIC but to defer action on the PSPE budget pending a full and open inquiry into the operations of the 'new' PSPE and the appropriate scale of those operations, given what appears to be a substantial increase in per-employee costs. CPA also points out that the budget includes an increase of 31% from the fiscal year budget for the same period (July 1, 2001, through June 30th 2002) adopted in Resolution T-16434 on January 18, 2001. CPA believes that most budget elements have undergone little change; the reason for the change appears to be shown in the increased cost of employing "internal" staff because the existing program staff has been terminated. CPA questions the implication in the resolution that the new state legislation requires this action. CPA finds this "requirement" is not mandated in the relevant P.U. Code sections created to implement SB 669. Moreover, even if a wholesale replacement of the PSPE program workforce were necessary, the resolution fails to explain why this should result in the drastic increase in program costs. It is difficult for the CPA, given the struggle payphone service providers are having in order to survive in an increasingly dismal market, to have higher staffing costs increase the PSPE surcharge.

CPA's analysis of work papers provided by TD staff indicates to CPA that the "backdoor" method used by staff to calculate the new program expense budget may include significant duplication of non-employee costs. CPA calculates that this results in an annualized cost of $93,600 per "payphone" position, which CPA finds excessive. CPA is concerned that the surcharge rate is becoming an instrument for the Commission to subsidize part of its workforce – as much as the Legislature will bear. CPA believes the Commission should, before adopting the proposed rate surcharge, conduct a full and open inquiry into the "new" payphone operations to determine the appropriate scale of those operations.

Verizon's comments reiterate many of the concerns raised by CPA. Verizon believes the current fund balance together with the current $0.10 surcharge rate for pay telephone lines per month should be sufficient to allow a continuation of the program operations for the next two years without requiring a surcharge rate increase. Verizon finds the need for the increased salary component under internalization unclear and recommends that, at the very least, this increase be explained and justified before the Commission considers approval of the requested amount.

Regarding the PPPP and the TPIC rate surcharges, Verizon believes the proposed reductions are consistent with the current program fund balances and past operations of the programs. The only potential challenge to this proposal could be the increased costs for consumer outreach for the two programs, mentioned by Commission staff, which might require re-implementation of the surcharge rates. Verizon recommends that this issue be examined for possible modification of the proposed revised budget.

The comments of the California Payphone Regulatory Alliance (CPRA) also question the higher salaries estimated for the staff under the Commission operation. CPRA believes that the Commission should only take over the handling of the program if it can reduce the program costs or, at the least, work within the parameters of the existing budget. As the proposed changes and higher expenses were not requested by the PSP industry, it would rather not have them inflicted upon the industry. CPRA believes that Article 4.1 of the newly adopted charter of the PSPC indicates that the Committee has the duty to submit a budget to the Commission's Consumer Services Division; however, the Commission staff and not the PSPE made the proposed increase without justification or input from the Committee. In conclusion, CPRA respectfully requests that the Commission review the proposed budget together with existing profit and loss statements, and deny the requested increase of the PSPE surcharge. CPRA concurs with the proposed recommendation for the PPPP and TPIC revised budgets.

The Committee filed a protest. The protest consists of two issues: 1) that the noticing and distribution of the draft resolution was inadequate and 2) that the PSPE was not provided an opportunity to participate in developing the proposed budget changes.

Regarding notice, the Committee states that although the transmittal letter purports to serve the draft resolution on a number of service lists, no hard copy was served upon the Committee or the other two committees. Further, no service was made on the service list for R.01-08-002, the current rulemaking proceeding revising the charters of the three payphone programs.

Regarding the second part of the protest, the Committee believes that Section 273 of the P.U. Code expressly provides that each Advisory Board, including the one for the PSPE, shall submit an annual budget to the Commission. Further, the charters revised by D. 01-09-064 expressly provide for TD to assist the Committee in the proposed budget development. The draft budget resolution (T-16590) completely bypasses the payphone committees and thus violates the statute and D. 01-09-064. No substantive explanation is provided for the substantial increased expenses for PSPE. The payphone committees have not been provided an opportunity to discuss and understand these budget changes with TD because the committees have been left out of the process contrary to the requirements cited above.

The Committee believes that inspection expenses are expected to decline substantially over the next several months because the inspection staff is no longer employed due to the transition of the program to the Commission. The Committee believes that inspections will not begin for some period of time while the Commission recruits and trains new inspectors. Because there is no explanation for the higher carryover balances than expected in the TPIC and the PPPP, the Committee is concerned that by setting the surcharge rates for these two programs to zero, while increasing the PSPE surcharge rate, there is the potential for cross-subsidization. The Committee respectfully requests that the draft resolution be taken off Calendar and referred to the Committee for its review. The Committee believes this is required by Section 279 of the P.U. Code.

DISCUSSION

First, we focus on the allegations by the Committee that the TD notice of the draft resolution was inadequate. We believe that TD followed standard procedures in notifying and sending copies of the draft revised payphone budgets to all parties listed on the current service lists for the three payphone programs. Regarding PSP Committee's statement that TD failed to serve the committees with hard copies of the draft resolution, we are interpreting this statement to mean that TD did not provide committee members of the three payphone programs hard copies of the draft resolution. In the past the executive director of the payphone programs has received a copy of a draft resolution and has distributed the draft resolution to committee members. Moreover, the Commission's commitment to utilize the internet for disseminating information to the public, by posting documents on our web site, confers the same legitimacy as if the documents were provided to the public strictly in the form of hard copies. Nevertheless, TD will, in the future, provide all committee members with hard copies of resolutions regardless of whether these members are listed on the program service lists.

The other issue raised in the protest and the three comments was that TD was remiss in not involving the Committee in the consideration of the proposed costs for the Commission to operate the enforcement program, especially in light of the proposed increased surcharge rate of 70%. Most of the comments state that the P.U. Code and newly revised charters require TD to advise the Committee on budgetary issues to assist them in discharging their responsibility to recommend program budgets to the Commission.

For the revised fiscal year 01-02 payphone budgets, TD was required to make revisions to accommodate the implementation of SB 669 and the Legislative process and had timing constraints in meeting the required deadlines and soliciting input from the payphone committees. TD is directed to work with the Payphone Service Providers Committee (PSPC) to develop a process that is compliant with Section 273 (a) of the P. U. Code and the PSPC charter.

SB 669 requires all revenues collected by telephone corporations in rates authorized by the Commission to fund the payphone programs to be transferred to the Commission. The Commission is then required to transfer program revenues to the Controller for deposit in the designated public program funds created under SB 669. The Controller may not pay employees of any entity that is not a state agency unless those employees are working for an organization under contract to, in this case, the Commission. Contracts do not exist for employees of the payphone programs. The Commission has internalized the operation of the payphone programs effective October 1, 2001.

TD has revised the operating expenses and revenue requirements for the PSPE 2001-2002 fiscal year budget, shown in Appendix A. TD now recommends that the current surcharge rate of $0.10 per pay telephone line per month be continued until further order of the Commission.

Advice Letter Filing and Notice to Other Carriers

The adoption of a revised Fiscal Year 2001-2002 budget, resulting in a reduction of the surcharge rate to zero for TPIC and PPPP, effective December 1, 2001, would normally require the filing of two advice letters by carriers who collect these charges. For administrative efficiency, we will allow all telecommunications carriers that collect surcharges for these programs, or any other public program, to file one advice letter accompanied by associated tariff sheets, revising the surcharge rates in accordance with Commission adopted resolutions and / or decisions. This advice letter should be filed on or before November 26, 2001, consistent with the provisions of General Order (G.O.) 96-A. The effective date shall be December 1, 2001.

In filing this advice letter, we will waive the notice requirements of G.O. 96-A, Section III, G.1. to furnish competing utility companies (either public or private) with copies of the related tariff sheets. This is because it does not appear to be in the public interest for each telecommunications carrier to send and receive notices about a regulatory change that each carrier already knows.

FINDINGS

1. SB 669, adopted in October 1999, requires the funds of the PSPE and the TPIC, as well as other public programs funded by ratepayer surcharges overseen by the Commission, to be transferred to the State Treasury.

2. It is reasonable to include the PPPP funds with the administration of the payphone program funds consistent with P.U. Code Sections 270-281.

3. The Commission budget approved for the fiscal year 2001-02 included funding for the implementation by the payphone programs of the requirements of P. U. Code Sections 270 through 281 for fiscal year 2001-2002 by October 1, 2001 .

4. Funds of the three payphone programs were transferred to the Commission by October 1, 2001, and subsequently transferred to the State Treasury.

5. The three payphone programs were internalized by the Commission on October 1, 2001.

6. P.U. Code Section 279(a) creates the Payphone Service Providers Committee, to advise the Commission on the development, implementation, and administration of the payphone programs.

7. It is reasonable to adopt a revised budget for PSPE, PPPP and TPIC for the fiscal year 2001-2002 as described in this resolution and set forth in column D in APPENDICES A, B, and C.

8. It is reasonable to reduce the surcharge rate for the PPPP and the TPIC to zero effective December 1, 2001.

9. Three comments and one protest on the draft resolution T-16590 were filed with TD on a timely basis.

10. The California Payphone Association (CPA), Verizon, the California Payphone Regulatory Alliance (CPRA) and the Committee all objected to (1) the increase in the PSPE surcharge rate from $0.10 to $0.17 and (2) the fact that the Commission did not involve the Committee in the consideration of the increase as the Committee believes is required by Section 273 of the P. U. Code.

11. The Committee states that the notice and distribution of the draft resolution by TD was inadequate.

12. TD followed the appropriate rules for distribution and notice of the draft resolution.

13. TD is directed to provide hard copies of payphone resolutions in the future to all committee members regardless of whether they are included on service lists.

14. TD has revised the PSPE revenue requirement and operating expenses and recommends that the current surcharge rate of $0.10 per payphone line per month remain at this level.

15. For administrative efficiency, it is reasonable to allow all telecommunications carriers that collect the PPPP and the TPIC surcharges, or surcharges for any other public program, to file advice letters by November 26, 2001, accompanied by associated tariff sheets, revising the surcharge rates in accordance with Commission resolutions and / or decisions.

16. The TD recommendations are reasonable and should be adopted.

THEREFORE, IT IS ORDERED that:

1. Revised Fiscal Year 2001-2002 budgets for the Payphone Service Providers Program (PSPE), Public Policy Payphone Program (PPPP) and the Telecommunications Devices for the Deaf Placement Interim Committee Program (TPIC) set forth in column D of APPENDICES A, B and C of this resolution are adopted consistent with the requirements of Public Utilities Code Sections 270 through 281.

2. The surcharge rates for the TPIC and the PPPP shall be reduced to zero effective December 1, 2001.

3. The surcharge rate for the PSPE shall be continued at $0.10 per payphone line per month until further order of the Commission.

4. All telecommunications carriers who are required to collect the surcharge rates for the PPPP and the TPIC and any other public program shall file revised tariff sheets by advice letters in accordance with the provisions of General Order No. 96-A. on or before November 26, 2001, in compliance with Commission resolutions / decisions. The advice letters shall become effective on December 1, 2001. In filing these advice letter filings, the telecommunications carriers are granted exemption from the noticing requirement of General Order No. 96-A, Section III, G.1.

5. All Local Exchange Companies, Competitive Local Exchange Companies and Interexchange Companies are granted an exemption from the noticing requirements of General Order 96-A, for surcharge changes from this resolution.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on November 8, 2001. The following Commissioners approved it:

/s/ WESLEY M. FRANKLIN
WESLEY M. FRANKLIN
Executive Director

LORETTA M. LYNCH
President
RICHARD A. BILAS
CARL W. WOOD
GEOFFREY F. BROWN
Commissioners

Commissioner Henry M. Duque, being necessarily absent, did not participate.

		APPENDIX A			
PSPE COMMITTEE		ADOPTED	ADOPTED		
PROGRAM BUDGET FOR FISCAL YEAR 01-02		FISCAL YEAR			
		2001-02 BUDGET			
		RES. - T -16434	FY 2001-02	FY 2001-02	FY 2001-02
			4 Months	8 Months	12 Months
		A	B	C	D
1	**BEGINNING FUND BALANCE**	$1,744,781	$2,234,319	$2,045,189	$2,234,319
	REVENUES				
2	PROJECTED PAYPHONE NUMBER	255,000	248,218	248,218	248,218
3	PAYPHONE PER MONTH	$0.10	$0.10	$0.10	$0.10
4	SURCHARGE REVENUE	$306,000	$99,287	$198,574	$297,861
	OTHER INCOME				
5	INVESTMENT INCOME				
6	INTEREST	$65,500	$21,833		$21,833
7	PENALTY				
8	TOTAL OTHER INCOME	$65,500	$21,833	$0	$21,833
9	**TOTAL REVENUE**	$371,500	$121,120	$198,574	$319,694
	AUDITS				
11	FINANCIAL AUDIT	$0	$0	$0	$0
12	COMPLIANCE AUDIT	$0	$0	$0	$0
13	REMITTANCE AUDIT	$0	$0	$0	$0
15	TOTAL AUDITS	$0	$0	$0	$0
	BANKING FEES				
16	TRUST				
17	LOCKBOX				
18	TOTAL BANKING FEES	$9,000	$0	$0	$0
	COMMITTEE EXPENSES				
19	PER DIEM	$18,000	$4,500	$13,500	$18,000
20	TRAVEL & OTHER EXPENSES	$21,204	$5,306	$15,900	$21,206
21	TOTAL COMMITTEE EXPENSES	$39,204	$9,806	$29,400	$39,206
	ADMIN/STAFF				
22	EXTERNAL STAFF	$1,183,686	$300,444		$300,444
23	SB 669 INTERNAL STAFF	$9,090	$0	$859,900*	$859,900*
24	INTERAGENCY COST				
25	**TOTAL PROGRAM EXPENSES**	$1,240,980	$310,250	$889,300	$1,199,550
26	**PROJECTED ENDING BALANCE**	$875,301	$2,045,189	$1,354,463	$1,354,463
	Expenses are split on a three month and a nine month basis.				
*	See APPENDIX D				

APPENDIX B

PPPP COMMITTEE
PROGRAM BUDGET FOR FISCAL YEAR 01-02

		FISCAL YEAR 2001-02 BUDGET Res. T-16444	ADOPTED FY 2001-02 5 Months	FY 2001-02 7 Months	FY 2001-02 12 Months
		A	B	C	D
1	**BEGINNING FUND BALANCE**	$125,006	$859,297	$896,108	$859,297
	REVENUES				
2	PROJECTED PAYPHONE NUMBER	$255,000	$248,218	$248,218	248,218
3	PAYPHONE PER MO	0.08	0.08	$0.00	
4	SURCHARGE REVENUE	$244,800	$99,300	$0	$99,300
	OTHER INCOME				
5	INVESTMENT INCOME	$0	$0		
6	INTEREST	$5,390	$1,348	$0	$1,348
7				$0	
8	TOTAL OTHER INCOME	$5,390	$1,348	$0	$1,348
9	**TOTAL REVENUE**	$375,196	$100,648	$0	$100,648
	AUDITS				
11	FINANCIAL AUDIT	$0	$0	$0	$0
12	COMPLIANCE AUDIT	$0	$0	$0	$0
13	REMITTANCE AUDIT	$0	$0	$0	$0
15	TOTAL AUDITS	$0	$0	$0	$0
	BANKING FEES				
16	TRUST				
17	LOCKBOX	$9,000	$0	$0	
18	TOTAL BANKING FEES	$9,000	$0	$0	$0
	COMMITTEE EXPENSES				
19	PER DIEM	$5,000	$1,250	$4,500	$5,750
20	TRAVEL & OTHER EXPENSES	$7,000	$1,750	$6,000	$7,750
21	TOTAL COMMITTEE EXPENSES	$12,000	$3,000	$10,500	$13,500
	ADMIN/STAFF				
22	EXT.STAFF/EXPENS	$224,448	$60,837		$60,837
23	SB 669 INTERNAL STAFF *	$9,090	$0	$184,500	$184,500
24	INTERAGENCY COST				
25	**TOTAL PROGRAM EXPENSES**	$255,348	$63,837	$195,000	$258,837
26	**PROJECTED ENDING BALANCE**	$119,848	$896,108	$701,108	$701,108

* Portion of the amount includes Bldg. Addition for IMSD staff allocated to this program.

		APPENDIX C			
	TDD PLACEMENT INTERIM COMMITTEE PROGRAM BUDGET FOR FISCAL YEAR (	ADOPTED FISCAL YEAR 2001-02 BUDGET RES. - T -16429		ADOPTED	
			FY 2001-02 5 Months	FY 2001-02 7 Months	FY 2001-02 12 Months
		A	B	C	D
1	**BEGINNING FUND BALANCE**	$888,814	$2,443,002	$2,433,172	$2,443,002
	REVENUES				
2	PROJECTED BILLING BASE	$19,414,000,000	$15,181,000,000	$15,181,000	
3	SURCHARGE RATE	0.001%	0.001%	0.00%	0.00%
4	SURCHARGE REVENUE	$194,140	$25,300	$0	$25,300
	OTHER INCOME				
5	INVESTMENT INCOME	$38,660	$21,000		$21,000
6	INTEREST				
7	PENALTY				
8	TOTAL OTHER INCOME	$38,660	$21,000		$21,000
9	**TOTAL REVENUE**	$232,800	$46,300	$0	$46,300
	AUDITS				
11	FINANCIAL AUDIT	$3,750	$3,750	$0	$3,750
12	COMPLIANCE AUDIT	$0	$0	$0	$0
13	REMITTANCE AUDIT	$0	$0	$0	$0
15	TOTAL AUDITS	$3,750	$3,750	$0	$3,750
	BANKING FEES				
16	TRUST				
17	LOCKBOX				
18	TOTAL BANKING FEES	$9,090	$0	$0	$0
	COMMITTEE EXPENSES				
19	PER DIEM			$1,500	$1,500
20	TRAVEL & OTHER EXPENSES	$51,360	$12,840	$9,000	$21,840
21	TOTAL COMMITTEE EXPE	$51,360	$12,840	$10,500	$23,340
	ADMIN/STAFF				
22	EXTERNAL STAFF	$158,161	$39,540		$39,540
23	SB 669 INTERNAL STAFF *	$9,090	$0	$114,000	$114,000
24	TOTAL ADMIN STAFF	$167,251	$39,540	$114,000	$153,540
	EQUIPMENT PURCHASES	$0	$0	$213,500	$213,500
25	**TOTAL PROGRAM EXPENSES**	$464,179	$56,130	$338,000	$394,130
26	**PROJECTED ENDING BALANCE**	$773,124	$2,433,172	$2,095,172	$2,095,172

* Portion of the amount includes Bldg. Addition for IMSD staff allocated to this program.
Expenses are split for three months and nine months.

		APPENDIX D		
	PSPE SB 669 IMPLEMENTATION COSTS			
		Adopted For 9 Months		
Wages-14 Positions				$341,600
20% Overhead				$ 68,300
Overhead/10 K Per	12 Persons			$ 120,000
Rent				$0
Allocation/	11 ISMD	Positions		$ 54,000
Non Wage Costs				$ 276,000
			TOTAL	**$ 859,900**