

Representative Jerome Zeringue  
Chairman



Representative Gary Carter  
Vice Chairman

# Fiscal Year 21-22 HB1 Budget Review Public Service Commission

House Committee on Appropriations  
House Fiscal Division

*April 8, 2021*

Budget Analyst:

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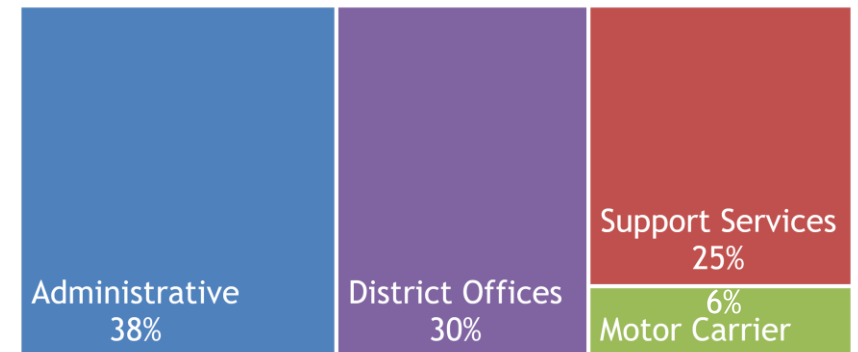
# FY22 BUDGET RECOMMENDATION

## Total Budget = \$10,086,226

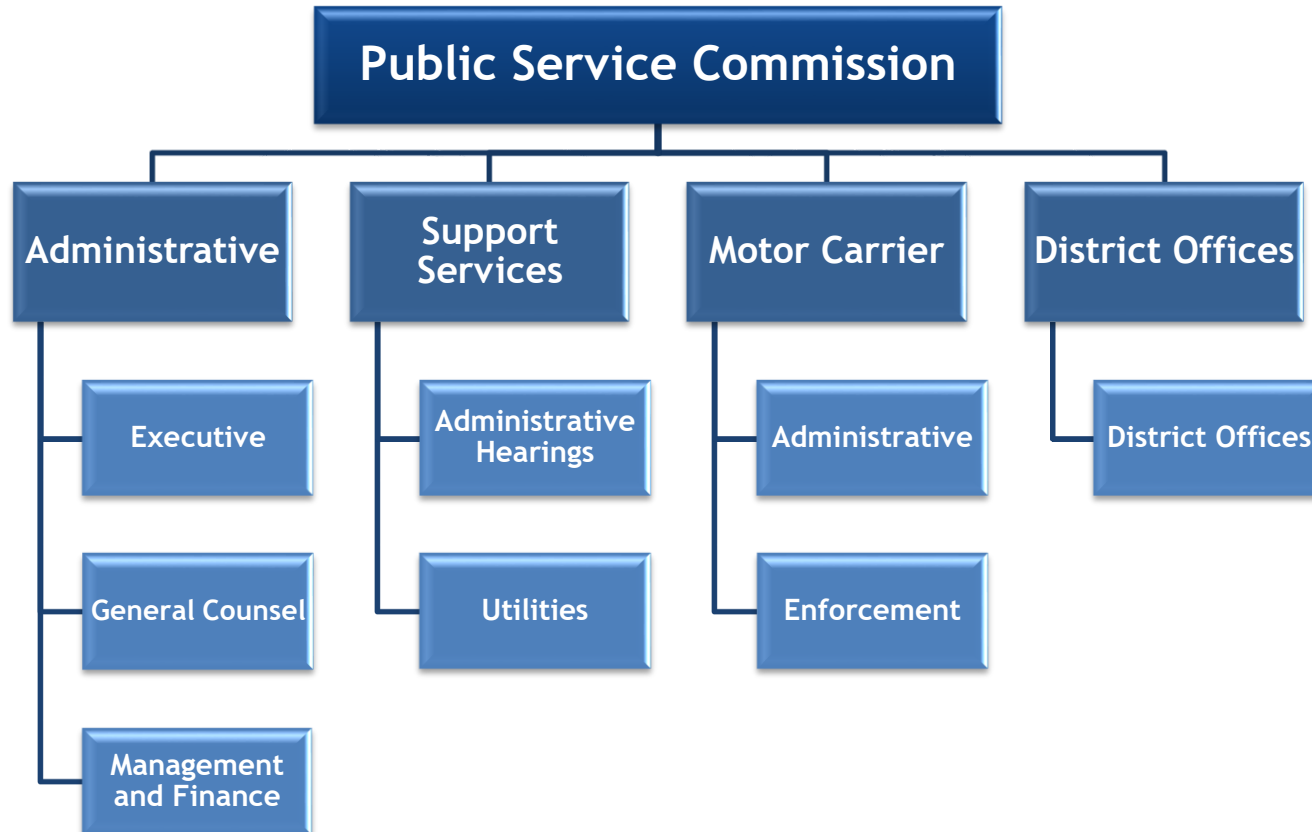
Means of Finance	
State General Fund	\$0
Interagency Transfers	\$0
Fees & Self-generated	\$0
Statutory Dedications	\$10,086,226
Federal	\$0
<b>Total</b>	<b>\$10,086,226</b>



Program Breakdown		
	Budget	Positions
Administrative	\$3,837,241	31
Support Services	\$2,549,808	21
Motor Carrier Registration	\$648,589	6
District Offices	\$3,050,588	37
<b>Total</b>	<b>\$10,086,226</b>	<b>95</b>



# DEPARTMENT ORGANIZATION



# DEPARTMENT OVERVIEW



*Galvez Building  
Baton Rouge, LA*

## Administrative

- **Executive**  
Coordinates all of the operations in the department.
- **General Counsel**  
Responsible for the legal matters of the department.
- **Management and Finance**  
Responsible for providing various services for the rest of the department, including accounting, and information technology.
- **Do Not Call Program**  
Maintains a list of residential phone numbers that registered businesses cannot call when soliciting in the state.

# DEPARTMENT OVERVIEW

## Support Services

- **Administrative Hearings Division**  
Conducts public hearings on issues pertaining to the Public Service Commission's jurisdiction, which includes the rates and services of public utilities and motor carriers.
- **Utilities Division**
  - Responsible for the maintenance of all of the rates in regulated utilities.
  - Audits regulated utility companies, overall results of operations, the rate base, and rates of return on equity and capital, upon which consumer rates are based.

## Motor Carrier Registration

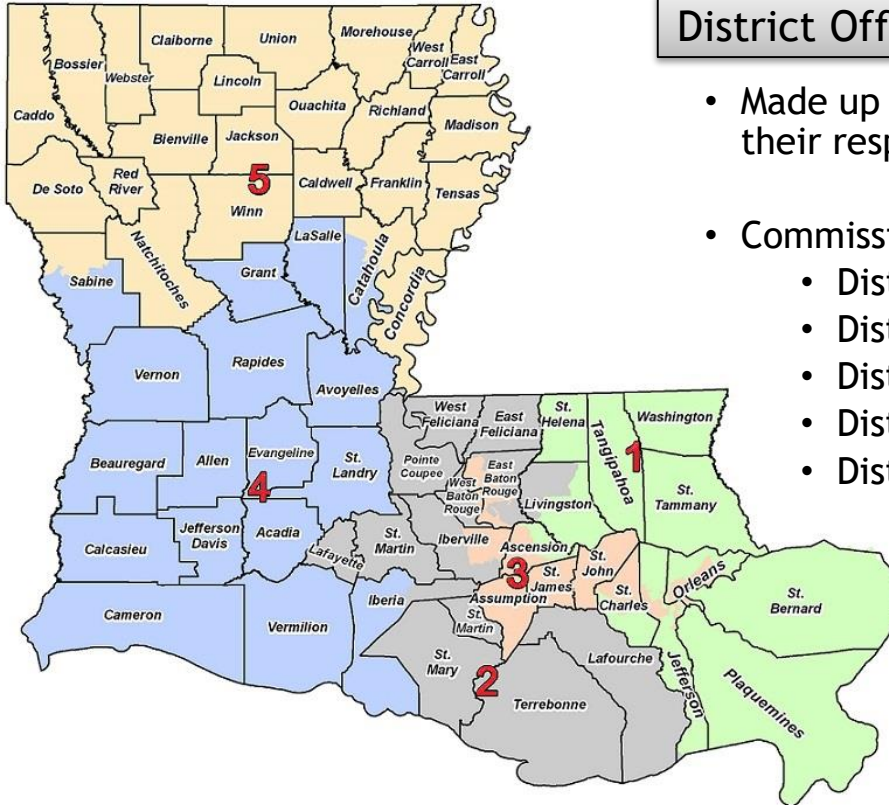
- **Administrative Division**  
Processes all of the paperwork necessary for companies to legally engage in transportation services within the state.
- **Enforcement Division**  
Ensures compliance in regards to the rules and regulations for motor carriers operating in the state.



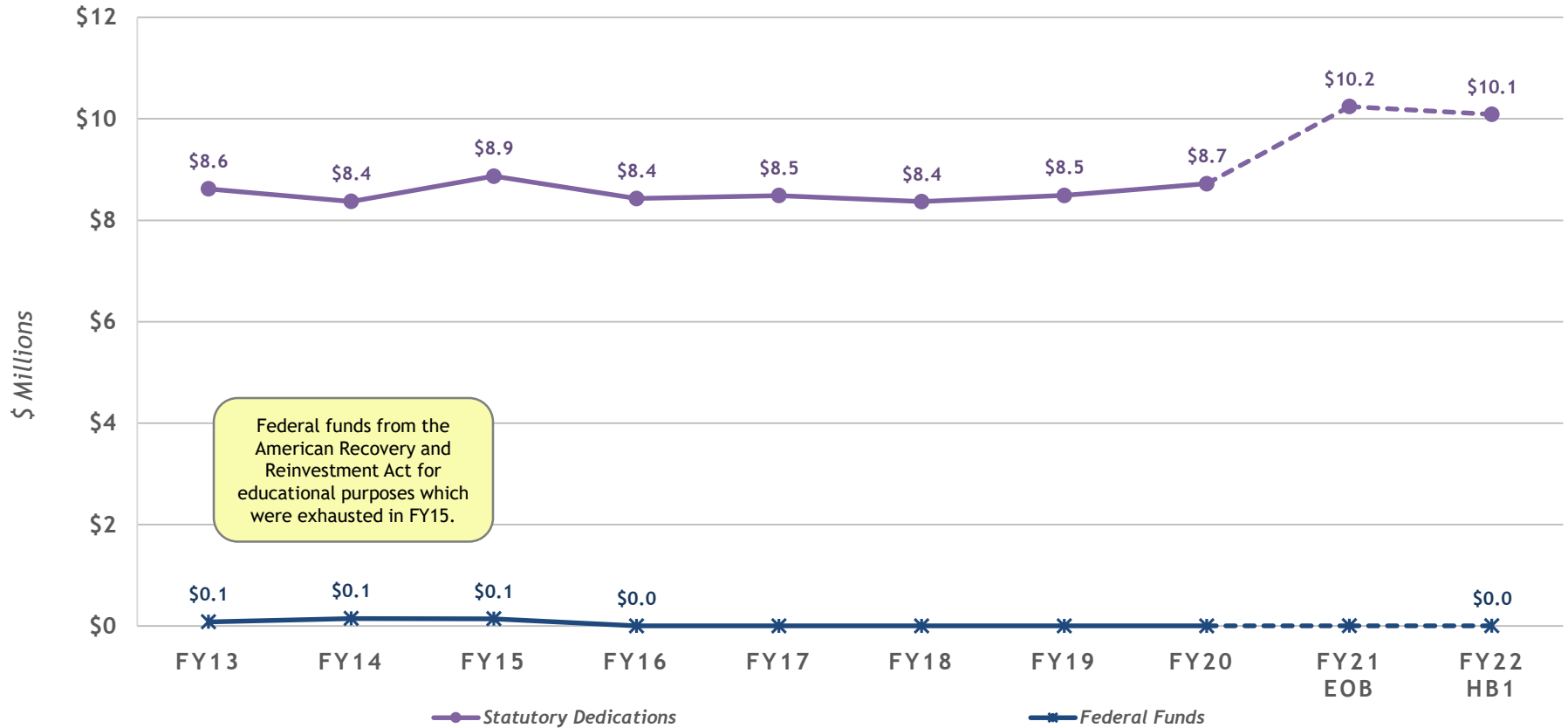
# DEPARTMENT OVERVIEW

## District Offices

- Made up of each elected commissioner and their staff within their respective district.
- Commissioners include:
  - District 1 - Eric Skrmetta
  - District 2 - Craig Greene
  - District 3 - Lambert C. Boissiere, III
  - District 4 - Mike Francis
  - District 5 - Foster L. Campbell



# HISTORICAL SPENDING



Source: Office of Planning and Budget - Budget Supporting Documents; and HB1 of the 2021 Regular Session



# FY20 UNSPENT AUTHORITY

	End of Fiscal Year Budget	Actual Amount Spent	Unspent Budget Authority	Unspent Authority %	Unspent % by MOF
SGF	\$0	\$0	\$0	0.0%	0.0%
IAT	\$0	\$0	\$0	0.0%	0.0%
FSGR	\$0	\$0	\$0	0.0%	0.0%
Stat Ded	\$9,722,536	\$8,720,583	\$1,001,953	10.3%	100.0%
Federal	\$0	\$0	\$0	0.0%	0.0%
<b>FY20 Total</b>	<b>\$9,722,536</b>	<b>\$8,720,583</b>	<b>\$1,001,953</b>	<b>10.3%</b>	<b>100.0%</b>

## *Historical Total Unspent Authority for Comparison*

	End of Fiscal Year Budget	Actual Amount Spent	Unspent Budget Authority	Unspent %
FY19 Total	\$9,722,536	\$8,489,064	\$1,233,472	12.7%
FY18 Total	\$9,770,839	\$8,366,686	\$1,404,153	14.4%
3 Year Avg.	\$9,738,637	\$8,525,444	\$1,213,193	12.5%

# FY20 UNSPENT AUTHORITY

## Did department collect all revenue budgeted?

	Final Budget <i>(w/o FY21 carryfwd)</i>	Actual Revenue Collections	Uncollected Revenue
SGF	\$0	\$0	\$0
IAT	\$0	\$0	\$0
FSGR	\$0	\$0	\$0
SD	\$9,722,536	\$9,163,342	(\$559,194)
FED	\$0	\$0	\$0
<b>FY20 Total</b>	<b>\$9,722,536</b>	<b>\$9,163,342</b>	<b>(\$559,194)</b>

<b>FY19 Total</b>	<b>\$9,722,536</b>	<b>\$9,137,390</b>	<b>(\$585,146)</b>
<b>FY18 Total</b>	<b>\$9,770,839</b>	<b>\$9,223,388</b>	<b>(\$547,451)</b>
<b>3 Year Avg.</b>	<b>\$9,738,637</b>	<b>\$9,174,707</b>	<b>(\$563,930)</b>

The department collected \$559 thousand less than the FY20 budget. The majority of excess budget authority over collections was in the Utility and Carrier Inspection and Supervision Fund. This fund had difficulty collecting revenue from electric companies and pipeline companies.

## Did department spend all collections?

	Actual Revenue Collections	Actual Expenditures	Unspent Revenue
SGF	\$0	\$0	\$0
IAT	\$0	\$0	\$0
FSGR	\$0	\$0	\$0
SD	\$9,163,342	\$8,720,583	(\$442,759)
FED	\$0	\$0	\$0
<b>FY20 Total</b>	<b>\$9,163,342</b>	<b>\$8,720,583</b>	<b>(\$442,759)</b>

<b>FY19 Total</b>	<b>\$9,137,390</b>	<b>\$8,489,064</b>	<b>(\$648,326)</b>
<b>FY18 Total</b>	<b>\$9,223,388</b>	<b>\$8,366,686</b>	<b>(\$856,702)</b>
<b>3 Year Avg.</b>	<b>\$9,174,707</b>	<b>\$8,525,444</b>	<b>(\$649,263)</b>

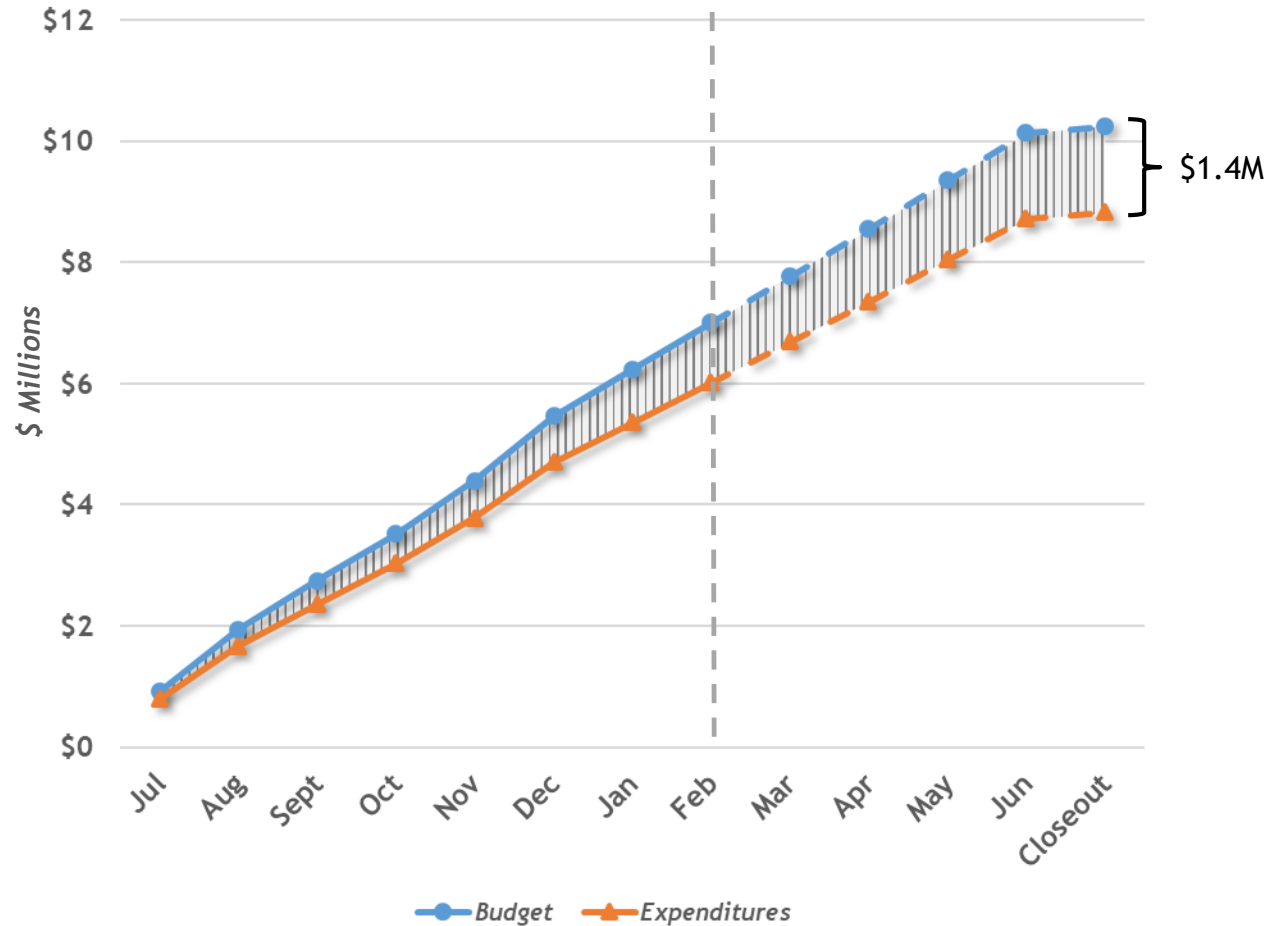
The department collected \$442 thousand more than was spent in statutory dedications. This was primarily in the Utility and Carrier Inspection and Supervision Fund.

# FY21 CURRENT EXPENDITURE TREND

Approximately \$8.8 million (86.0%) from all means of finance could be spent based on actual spending patterns through February and projections through the remainder of the fiscal year. This would leave \$1.4 million or 14.0% of the department's total budget authority unspent.

The Support Services and Administrative programs have the most projected unspent authority in the department. The largest driver of these projections is underspending in personnel services, which can be attributed to the department's vacancies.

In FY20, the department spent 89.7% of its total budget comparing its end of year budget and actual expenditures while factoring out funding carried over into FY21.



# FY22 STATUTORY DEDICATIONS

Fund Name	FY22 HB1	Funding Source	Use
Motor Carrier Regulation Fund	\$220,662	Monies collected by the transportation division of PSC for regulation of the motor carrier industry, intrastate application, registration, and permit fees, and fines collected from civil penalties.	Monies in the carrier fund shall be used to defray the cost of regulation of the intrastate motor carrier industry, specifically by the transportation division of the PSC. Monies in the carrier fund shall be available to increase personnel resources and physical; support for regulation of the intrastate motor carrier industry.
Telephonic Solicitation Relief Fund	\$228,620	Fees from solicitors for a copy of the “Do not Call” listing as well as penalties for “Do not Call” violations.	Monies in the fund shall be used solely and exclusively for implementation, administration, and enforcement of the “Do Not Call” listing.
Utility and Carrier Inspection and Supervision Fund	\$9,636,944	Fee for inspection, control, and supervision of the business service and rates of common carriers and public utilities, in addition to any and all property, franchise, license, and other taxes, and fees and charges now or hereafter fixed, assessed, or charged by law against such common carriers and public utilities.	Monies in this fund shall be used solely for the expenses of the operations of the PSC.

# FY22 FUNDING COMPARISON

Means of Finance	FY20 Actual Expenditures	FY21 Existing Operating Budget 12/1/20	FY22 HB1 Budget	Change from Existing Operating Budget to HB1		Change from Actual Expenditures to HB1	
SGF	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
IAT	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
FSGR	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Stat Ded	\$8,720,583	\$10,242,843	\$10,086,226	(\$156,617)	(1.5%)	\$1,365,643	15.7%
Federal	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
<b>Total</b>	<b>\$8,720,583</b>	<b>\$10,242,843</b>	<b>\$10,086,226</b>	<b>(\$156,617)</b>	<b>(1.5%)</b>	<b>\$1,365,643</b>	<b>15.7%</b>

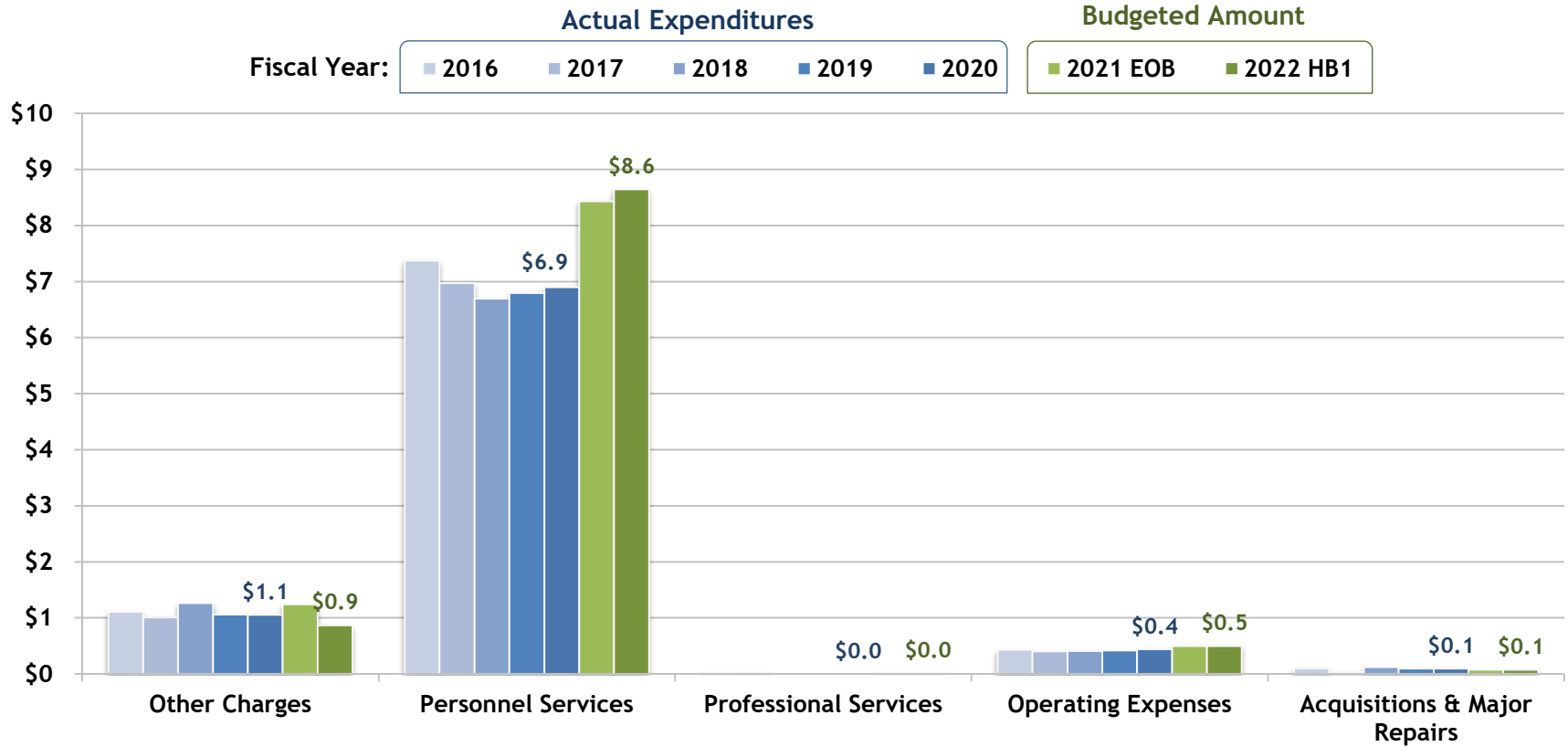
## Significant funding changes from FY21 EOB:



### \$156,617 Statutory Dedication

Decrease in budget authority due to statewide adjustments in Personal Services and Other Charges. Per the most recent REC forecast, department statutory dedications are facing a net \$1.7 million reduction in revenue.

# EXPENDITURE HISTORY



Source: Office of Planning and Budget - Executive and Proposed Budget Supporting Documents

# FY22 EXPENDITURE COMPARISON

Expenditure Category	FY20 Actual Expenditures	FY21 Existing Operating Budget 12/1/20	FY22 HB1 Budget	Change from Existing Operating Budget to HB1		Change from Actual Expenditures to HB1	
Salaries	\$4,423,432	\$5,222,373	\$5,363,384	\$141,011	2.7%	\$939,952	21.2%
Other Compensation	\$13,768	\$38,000	\$38,000	\$0	0.0%	\$24,232	176.0%
Related Benefits	\$2,608,024	\$3,169,615	\$3,243,475	\$73,860	2.3%	\$635,451	24.4%
Travel	\$35,905	\$90,868	\$90,868	\$0	0.0%	\$54,963	153.1%
Operating Services	\$361,703	\$375,351	\$375,351	\$0	0.0%	\$13,648	3.8%
Supplies	\$18,597	\$28,539	\$28,539	\$0	0.0%	\$9,942	53.5%
Professional Services	\$0	\$5,000	\$5,000	\$0	0.0%	\$5,000	0.0%
Other Charges/IAT	\$1,142,803	\$1,241,237	\$868,979	(\$372,258)	(30.0%)	(\$273,824)	(24.0%)
Acq/Major Repairs	\$116,351	\$71,860	\$72,630	\$770	1.1%	(\$43,721)	(37.6%)
<b>Total</b>	<b>\$8,720,583</b>	<b>\$10,242,843</b>	<b>\$10,086,226</b>	<b>(\$156,617)</b>	<b>(1.5%)</b>	<b>\$1,365,643</b>	<b>15.7%</b>

Source: Office of Planning and Budget - Budget Supporting Documents and HB1 of the 2021 Regular Session

# SIGNIFICANT EXPENDITURE CHANGES

*Compared to the FY21 Existing Operating Budget*

## **(\$372,258) - Total Other Charges**

**(\$394,161)**

Decrease due to statewide reduction adjustments for Rent in State-owned Buildings, Capitol Park Security, UPS fees, and Office of State Procurement.

**\$21,903**

Increase due to statewide adjustments for Risk Management, Legislative Auditor Fees, Civil Service fees, and Office of State Procurement.

## **\$214,871 - Personnel Services**

**\$494,792**

Increase in expenditures due to statewide adjustments in salary base, market rate, related benefits base, civil service training series, and group insurance rates.

**(\$279,921)**

Decrease in expenditures due to statewide retirement rate adjustments, salary base adjustments, attrition adjustments, and reduction of (2) T.O. positions.

## **\$770 - Acquisitions and Major Repairs**

**\$72,630**

Increase to acquire items such as IT equipment, office furniture, legal/reference materials, and a vehicle.

**(\$71,860)**

Removes funding for FY21's acquisitions and major repairs.



# OTHER CHARGES DETAIL

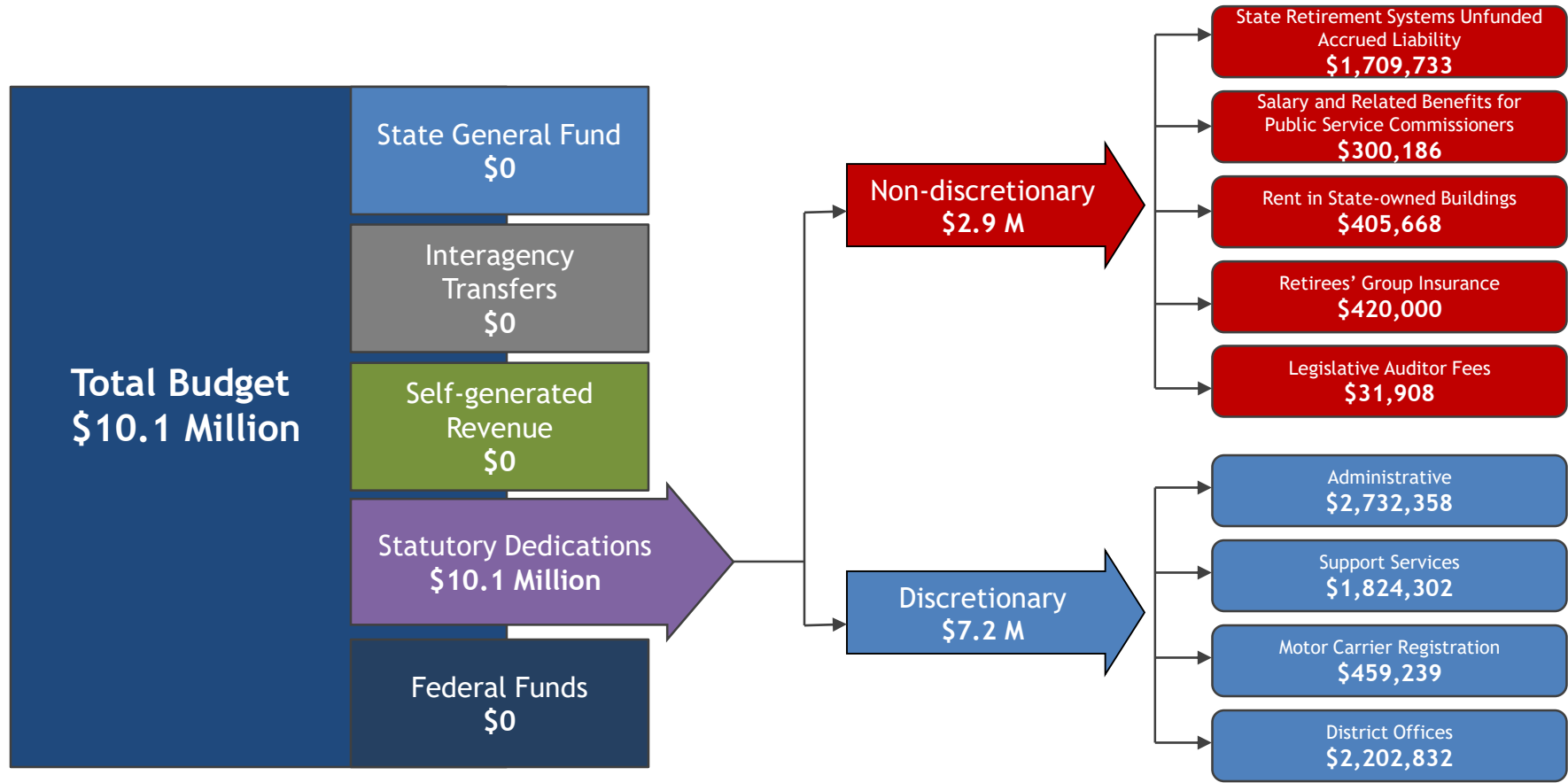
## Other Charges

Amount	Description
\$37,700	Do Not Call Program
\$35,000	Power Outage Mapping Contract
\$25,000	STAR (Store, Track, and Report) Case Management System
\$23,400	Broadcast of the Commissioner's Business and Executive Sessions for the general public unable to attend meetings
\$250	Shredding Services
<b>\$121,350</b>	<b>Total Other Charges</b>

## Interagency Transfers

Amount	Description
\$406,785	Rent in State-owned Buildings
\$156,914	DOA - Office of Technology Services
\$56,100	Risk Management
\$40,385	Capitol Park Security
\$31,908	Legislative Auditor Fees
\$23,980	Civil Service
\$11,500	DEQ - EBRPSO Security Cost Allocation
\$6,408	DOA - Office of State Procurement, State Printing
\$9,600	Office of State Mail
\$4,049	Uniform Payroll System
<b>\$747,629</b>	<b>Total Interagency Transfers</b>

# DISCRETIONARY EXPENSES

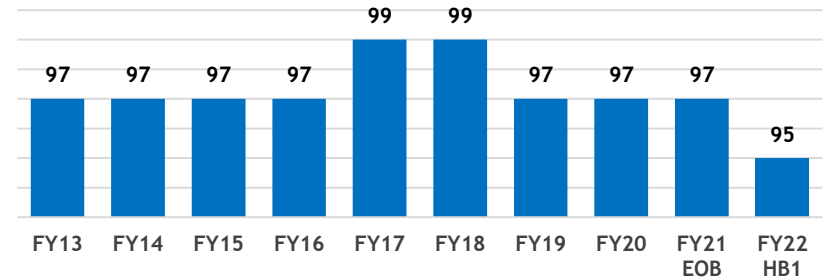


# PERSONNEL INFORMATION

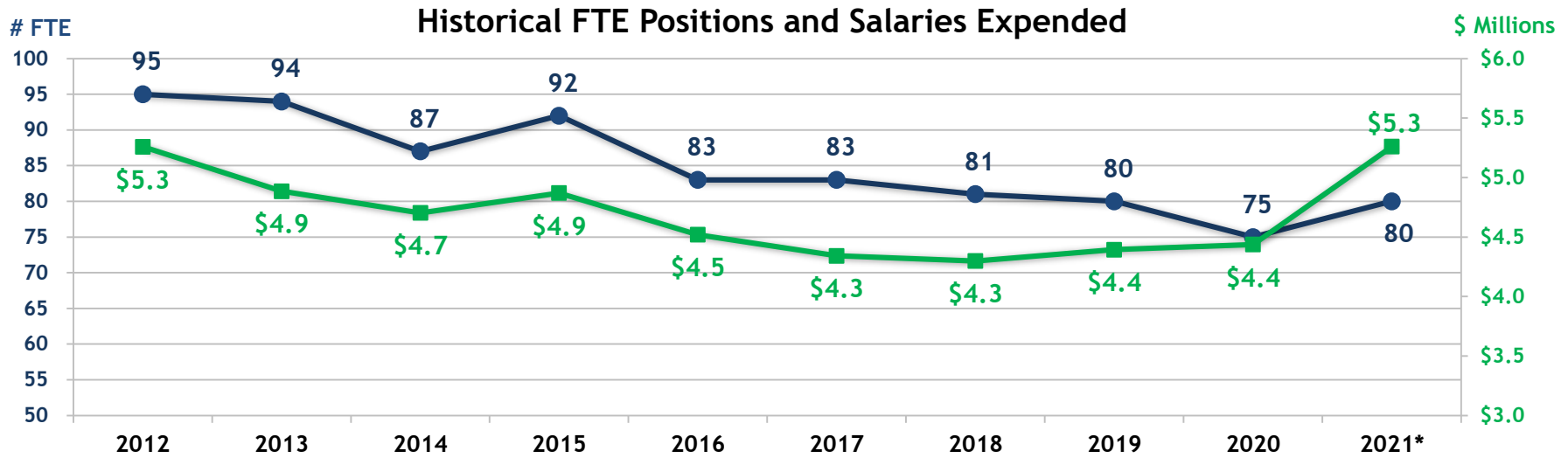
## FY 2022 Recommended Positions

95	Total Authorized T.O. Positions (77 Classified, 18 Unclassified)
0	Authorized Other Charges Positions
1	Non-T.O. FTE Positions
20	Vacant Positions (February 1, 2021)

## Historical Authorized T.O. Positions



Source: Office of Planning and Budget - Budget Supporting Documents



Source: Dept. of Civil Service and Budget Supporting Documents

\*Existing Operating Budget 12/1/20

# DO NOT CALL PROGRAM

Established on January 1, 2002, the Do Not Call Program is a list, updated and maintained by the Public Service Commission, of residential telephone subscribers who do not wish to receive telephone solicitations. Business numbers may not be registered in the program.

Any business wishing to engage in telephone solicitation of residential subscribers within the state of Louisiana is required by law (R.S. 45:844.14) to purchase a copy of the customer register.

## Program Notes:

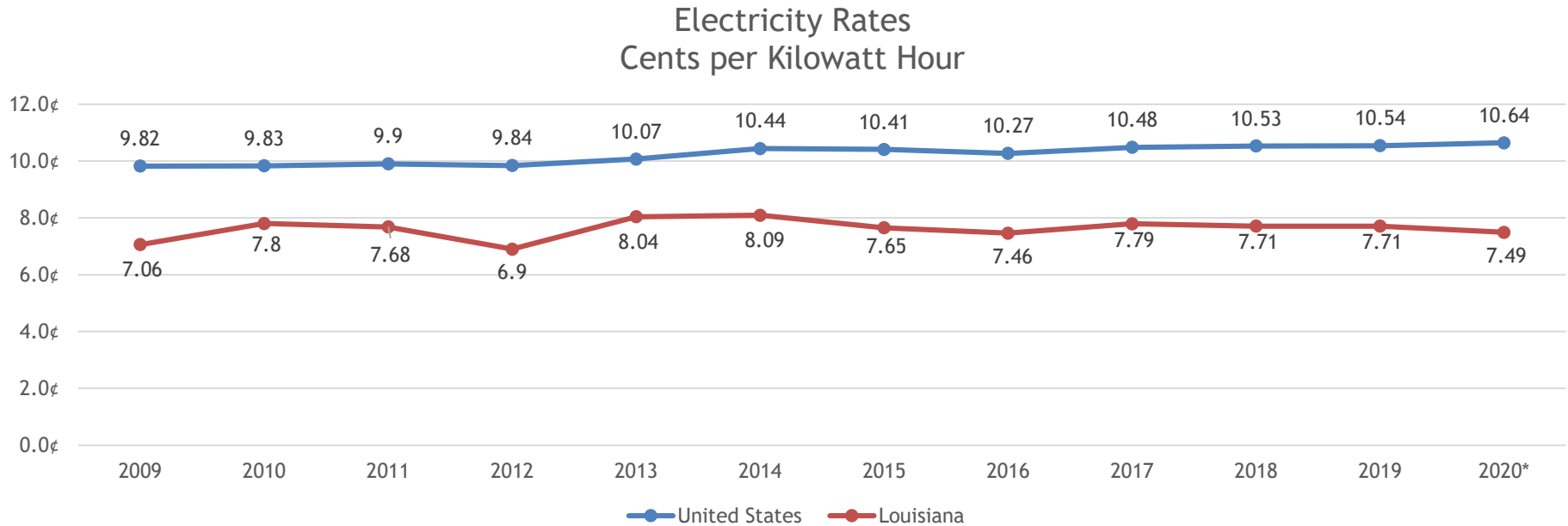
- The range for fines is \$500 to \$10,000.
- The program is free to all Louisiana residential landline telephone customers.
- The collection of registration fees and fines support the program.

# DO NOT CALL PROGRAM

DO NOT CALL	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
Residents Registered Statewide	3,047,938	3,100,346	3,154,224	3,228,617	3,300,629	3,333,419
Solicitors Registered	1,883	1,716	1,878	1,615	1,672	1,471
Solicitor Registration Fee Collections	\$266,900	\$254,400	\$242,700	\$236,400	\$231,700	\$217,000
Solicitor Fines Collected	N/A	\$3,000	\$1,500	\$1,500	\$0	\$0

According to the Commission, a decrease in fines is due to the success of the “Do Not Call” Program. The decrease in registration fees in recent years is due to some smaller telemarketing firms going out of business or being purchased by larger companies.

# ELECTRICITY RATES IN LOUISIANA



According to the U.S. Energy Information Administration, Louisiana has the lowest electricity rate in the country.

\*Full year data not yet verified.  
This does not include the first few months of 2021.

Source: U.S. Energy Information Administration

# DEPARTMENT CONTACTS



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