



Financial Status Report as of April 30, 2018



Administrative Services California Public Utilities Commission



April Update Administrative Services



Transportation Programs State Operations as of April 30

Fund / Program	Budget	Expenditure	Remaining	% Remain
0042 – Rail Crossing Safety Enforcement	4,948,000	4,185,000	763,000	15%
0046 – Rail Transit Safety Enforcement	7,694,000	4,368,000	3,326,000	43%
0412 – Transportation Licensing-Household Goods Movers	2,512,000	1,509,000	1,003,000	40%
0461 – Regulation of Transportation (Freight Rail and Passenger Carriers)	17,695,000	12,752,000	4,943,000	28%





PUC Utilities Reimbursement Account (0462)

State Operations as of April 30

Fund/Program	Budget	Expenditure	Remaining	% Remain
0462 – Energy	84,341,000	61,168,000	23,173,000	27%
0462 – Water/Sewer	12,363,000	7,845,000	4,518,000	37%
0462 - Telecommunications	25,549,000	18,507,000	7,042,000	28%
0462-Reimbursements (Energy)	54,844,000	35,230,000	19,614,000	36%





Federal Funds

State Operations as of April 30

Fund / Program	Budget	Expenditure	Remaining	% Remain
Energy (Pipeline and Hazardous Materials Safety Administration)	4,000,000	2,971,000	1,029,000	26%
Rail Transit Safety ¹	3,292,000	3,209,000	83,000	3%

1/ The CPUC first spends federal funds available for Rail Transit Safety. When these funds run out in May 2018, CPUC will transition to using state funds (Fund 0046 – Public Transportation Account, State Transportation Fund) for the remainder of the fiscal year.





Public Purpose Programs State Operations as of April 30

Fund / Program	Budget	Expenditure	Remaining	% Remain
0464 – High Cost Fund A	1,326,000	552,000	774,000	58%
0470 – High Cost Fund B	1,550,000	273,000	1,277,000	82%
0471 – California Lifeline	30,690,000	18,802,000	11,888,000	39%
0483 – Deaf & Disabled	64,199,000	52,343,000	11,856,000	18%
0493 – California Teleconnect	7,918,000	1,150,000	6,768,000	85%
3141 – California Advanced Services Fund	4,475,000	2,088,000	2,387,000	53%





Local Assistance Programs by Fund Source

Fund / Program	Budget	Expenditure	Remaining	% Remain
Public Purpose Programs				
0464 – High Cost Fund A	47,913,000	29,211,000	18,702,000	39%
0470 – High Cost Fund B	20,777,000	10,531,000	10,246,000	49%
0471 – CA Lifeline	599,466,000	236,373,000	363,093,000	61%
0483 – Deaf and Disabled	210,000	113,000	97,000	46%
0493 – California Teleconnect	145,065,000	37,325,000	107,740,000	74%
3141 – CA Advanced Services	72,611,000	66,138,000	6,473,000	9%
Gas Consumption Surcharge Fund				
3015	562,057,000	253,204,000	308,853,000	55%

Chapter 932, Statutes of 2000 (AB 1002) established the gas surcharge in 2001. Proceeds are deposited in Fund 3015—Gas Consumption Surcharge Fund. AB 1002/00 imposed a surcharge on all natural gas consumed in California to fund specified low income, energy efficiency, conservation, and public interest research programs. There can be a 4-6 month lag before expenditures are reflected in Financial Reports.





2017-18 Expenditures by Division as of April 30

Division	Budget	Expenditure	Remaining	% Remain
Administrative Services	41,099,000	26,843,000	14,256,000	35%
Administrative law Judge	14,374,000	9,188,000	5,186,000	36%
Communications	113,926,000	77,840,000	36,086,000	32%
CPED	13,097,000	10,494,000	2,603,000	20%
Energy	24,137,000	18,850,000	5,287,000	22%
Executive	18,463,000	14,863,000	3,600,000	19%
Legal	17,305,000	13,010,000	4,295,000	25%
Office of Safety Advocate	1,558,000	478,000	1,080,000	69%
Office of Ratepayer Advocates	20,335,000	17,062,000	3,273,000	16%
Policy and Planning	1,736,000	1,748,000	(12,000)	-1%
Safety and Enforcement	32,206,000	23,338,000	8,868,000	28%
Water	2,930,000	2,355,000	575,000	20%
Total	301,166,000	216,069,000	85,097,000	





Internal Budget Development for 2018-19

- Budget Templates submitted to Divisions May 14 – Due back to Budget Office June 11
 - Contract Template
 - Operating Expenses & Equipment (OE&E)
 - Personal Services
- Executive Director and Administrative Services Director will review and provide operating budgets to Divisions in summer.





FI\$Cal Update

- Administrative Services units are updating business processes, as required, to transition to FI\$Cal.
- Go Live Date will be July 9, 2018 for all 2018 FI\$Cal Wave departments.
- Possible impact to Commission—ASD Director has authorized overtime to address additional workload.
 - Payments will be delayed until at least July 15. A communication will be sent out to Project Managers to urge vendors to submit pending invoices by June 30.
 - Accounting will prioritize payments required by statute, necessary for “Lights On” operations, and employee reimbursements.
 - Procurements may be delayed.
- Awarded a \$1.4 million contract for FI\$Cal transition assistance. Contract term is from May 2018 through December 2019.
- We met with the Director of FI\$Cal, FI\$Cal staff, and Accenture on May 9. The Director advised that state agency operations do not stabilize until sometime during the third year of the transition—2020-21 for the CPUC.
- Consultant reports that departments transitioning to FI\$Cal average 18 months for month-end/year-end close.





Facilities

- Headquarters is off Fire Watch. Some repairs remain.
- Capitol Mall move to the 5th floor is now scheduled for mid-June. State Fire Marshal concerns have been addressed.
- ASD has hired an Associate Management Analyst at the Los Angeles office to support Business Service, Facility, and Fleet needs.
- CPUC Facilities, DGS/FMD, and CPUC staff have mitigated the rodent issue at SF HQ, working as a cohesive team.





Appendix A—Funding Sources for Each Division

Division	Funding Source
Administrative Services	Funds 0462, 3089
Administrative Law Judge	All funds
Communications	Funds 0462, 0464, 0470, 0471, 0483, 0493, 3141
CPED	Funds 0412, 0461, 0462
Energy	Fund 0462
Executive	All funds
Legal	All funds
Office of Safety Advocate	Fund 0462
Office of Ratepayer advocates	Fund 3089, funded by annual transfer from Fund 0462
Policy and Planning	Funds 0461 and Fund 0462
Safety and Enforcement	Funds 0042, 0046, 0461, 0462, 0890
Water	Fund 0462





Appendix B—CPUC Fund Sources

Fund / Program	Budget
<p>0042-State Highway Account, State Transportation Fund</p> <p>PUC Program: Rail Crossing Safety Enforcement</p>	<p>The CPUC receives a direct appropriation from this fund, which is administered by California Department of Transportation (Caltrans). The CPUC is responsible for seeing that highway-rail and pathway-rail crossings are safely designed, constructed, and maintained. The Rail Crossings and Engineering Branch (RCEB) investigates and evaluates requests to construct new rail crossings or modify existing crossings. RCEB also investigates train-related incidents that occur at rail crossings and adjudicates complaints regarding rail crossings safety or conditions.</p>
<p>0046- Public Transportation Account</p> <p>PUC Program: Rail Transit Safety Enforcement</p>	<p>The CPUC receives a direct appropriation from this fund, which is administered by Caltrans. These funds support the CPUC Rail Transit Safety Branch (RTSB). RTSB engineers and analysts conduct continuous review and safety oversight of design and construction of capital projects, operations, emergency response, accident reporting, and incident investigation. RTSB inspectors conduct on-site visits to inspect infrastructure and vehicles, monitor operations, evaluate maintenance practices, and other activities to identify noncompliance, safety concerns, and unsafe conditions.</p>
<p>0412-Transportation Rate Fund</p>	<p>This fund receives fees paid by household goods movers. Generally, proceeds are generated from quarterly user fees, regulatory licenses and penalties, and voluntary suspension fees. The CPUC uses this fund to administer and enforce the Household Goods Carriers Act. This program will be transferred to the Department of Consumer Affairs as of July 1, 2018.</p>





Appendix B—CPUC Fund Sources (continued)

Fund / Program	Budget
<p>0461-Public Utilities Commission Transportation Reimbursement Account</p>	<p>Pursuant to Public Utilities Code §426, the CPUC shall use all moneys paid into the Public Utilities Commission Transportation Reimbursement Account (PUCTRA) by charter bus transportation, solely for the following purposes:</p> <ul style="list-style-type: none"> (a) Safety regulation. (b) The administration of financial responsibility requirements. (c) Commission activities to ensure compliance with safety regulation and financial responsibility requirements. (d) Any other regulatory program permitted by Section 14501(a) of Title 49 of the United States Code. <p>Fees are imposed on common carriers and related businesses subject to the jurisdiction of the CPUC and are used to regulate these entities.</p>
<p>0462-Public Utilities Commission Utilities Reimbursement Account</p>	<p>This fund is the CPUC’s main operating fund. Fees are levied on investor-owned utilities and are used to support regulatory activities of the organization. Pursuant to Public Utilities Code §431, fees are:</p> <ul style="list-style-type: none"> (a) Annually determined to be paid by every investor-owned electrical, natural gas, telephone, telegraph, water, sewer system, and heat corporation and every other public utility providing service directly to customers or subscribers and subject to the jurisdiction of the CPUC other than a railroad. (b) Established to produce a total amount equal to that amount established in the authorized CPUC budget for the same year, including adjustments for increases in employee compensation, other increases appropriated by the Legislature, and an appropriate reserve to regulate public utilities less the amount to be paid from special accounts, reimbursements, federal funds, and any other revenues, and the amount of unencumbered funds from the preceding year.





Appendix B—CPUC Fund Sources (continued)

Fund / Program	Budget
0464-California High Cost Fund-A Administrative Committee Fund	<p>This fund was adopted by the CPUC via Decision 91-09-042 and is funded by an all-end-user surcharge collected by telecommunications carriers which, in turn, is remitted to the agency. Pursuant to Public Utilities Code §275.6, this fund was implemented to provide universal service rate support to small independent, telephone corporations, promoting the state’s commitment to universal service and continued affordability and availability of safe, reliable, high-quality communications services in rural areas of the state.</p>
0470-California High Cost Fund-B Administrative Committee Fund	<p>This fund was adopted by the CPUC via Decision 91-10-066 and is funded by an all-end-user surcharge collected by telecommunications carriers which, in turn, is remitted to the agency. Pursuant to Public Utilities Code §739.3, subsidies are provided to carriers of last resort (COLRs) for providing basic local telephone service to residential customers in high-cost areas. The purpose of the subsidies is to keep basic telephone service affordable and to meet the CPUC’s universal service goal.</p>
0471-Universal Lifeline Telephone Service Trust Administrative Committee Fund	<p>This fund was expanded by the CPUC via Decision 14-01-036 and is funded by an all-end-user surcharge collected by telecommunications carriers which in turn is remitted to the agency. This program provides subsidies for wireline or wireless services for qualifying low income individuals and families.</p>





Appendix B—CPUC Fund Sources (continued)

Fund / Program	Budget
<p>0483-Deaf and Disabled Telecommunications Program Administrative Committee Fund</p>	<p>Pursuant to Public Utilities Code §2881, the Public Utilities Commission (PUC) implemented a program to provide telecommunications devices to Californians with certified hearing, vision, speech, cognitive, and mobility disabilities.</p> <p>This program is funded by an all-end-user surcharge collected by telecommunications carriers which, in turn, is remitted to the agency. Program beneficiaries receive the following benefits:</p> <ul style="list-style-type: none"> a) Specialized telecommunications equipment, such as (amplifying/speech generating devices, telephone ringer signals, speakerphones, and cordless phones). b) A dual party relay system, now called the California Relay Service (CRS), connecting TTY user(s) with any other telephone user(s). The CRS uses third-party intervention to provide 24-hour contact with any other telephone subscriber.
<p>0493-California Teleconnect Fund Administrative Committee Fund</p>	<p>This fund was adopted by the CPUC via Decision 96-10-066. Pursuant to Public Utilities Code §280, the CPUC provides discounts for telecommunications services to qualifying K-12 schools, community colleges, libraries, hospitals, health clinics, and community based organizations. Chapter 841/16 (SB 1212) authorizes the CPUC, if deemed appropriate, to expend up to \$1.5 million CTF to help close 2-1-1 service gaps in counties lacking access to disaster preparedness, response, and recovery information and referral services, where technically feasible, through available 2-1-1 service. The 2017-18 budget includes \$1.5 million local assistance for this purpose. This program is funded by an all-end-user surcharge collected by telecommunications carriers which, in turn, is remitted to the agency.</p>





Appendix B—CPUC Fund Sources (continued)

Fund / Program	Budget
0890-Federal Trust Fund	<p>The CPUC receives federal grant funding for pipeline and rail transit safety activities. The state established the Federal Trust Fund to provide accountability for the receipt and expenditure of federal funds received by the state. Multiple departments receive a direct appropriation from this fund.</p>
0995-Reimbursements	<p>Pursuant to Public Utilities Code and CPUC-approved Resolutions and Decisions, utilities reimburse the CPUC for program oversight. The CPUC is reimbursed for the labor of its employees and the labor and travel costs of consultants hired by the CPUC.</p> <p>Additional expenses, not included in the initial contract, are billed to the utility for payment. Reimbursable contracts, (sometimes reimbursed by multiple utilities, as a percentage of the total cost), include contracts for California Environmental Quality Act (CEQA), Energy Efficiency, and Low Income Oversight.</p>
3015-Gas Consumption Surcharge Fund	<p>Pursuant to Public Utilities Code 890(a), surcharges are levied on natural gas consumption in order to fund low-income assistance programs, such as the California Alternate Rates for Energy (CARE), required by sections 739.1, 739.2, 2790. This surcharge supports energy efficiency and conservation projects. The Budget Act transfers \$24 million annually to the Energy Commission for public interest research programs.</p>





Appendix B—CPUC Fund Sources (continued)

Fund / Program	Budget
3089-Public Utilities Commission Ratepayer Advocate Account	<p>The annual Budget Act transfers funds from the Public Utilities Commission Utilities Reimbursement Account (PUCRA) to the Public Utilities Commission Ratepayer Advocate Account (PUCRAA). This account supports the activities of the Office of Ratepayer Advocates (ORA).</p> <p>ORA duties include representing the interests of public utility customers and subscribers within the jurisdiction of the Commission.</p> <p>The ORA’s mandate and function is defined in Public Utilities Code §309.5, which charges ORA with representing and advocating on behalf of public utility customers and subscribers in all significant proceedings within the Public Utility Commission’s jurisdiction.</p>
3141-California Advanced Services Fund	<p>This fund was adopted by the CPUC via Decision 07-12-054. Pursuant to Public Utilities Code §234, the CPUC provides grants to telecommunication carriers to bridge the “digital divide” by providing:</p> <ol style="list-style-type: none"> a) Broadband services to areas currently without broadband access. b) Construct facilities in underserved areas.





Thank you.

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