



Financial Status Report as of 12/31/2017



Administrative Services California Public Utilities Commission



February Update

Administrative Services

Introduction

- Expenditures by Fund and Division
- Internal Budget Development for 2018-19
- FI\$Cal Update
- Facilities Update
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Transportation Programs State Operations

Fund / Program	Budget	Expenditure	Remaining	% Remain
0042 – Rail Crossing Safety Enforcement	4,948,000	2,346,000	2,602,000	53%
0046 – Rail Transit Safety Enforcement	7,203,000	2,365,000	4,838,000	67%
0412 – Transportation Licensing-Household Goods Movers	2,346,000	832,000	1,514,000	65%
0461 – Regulation of Transportation (Freight Rail and Passenger Carriers)	16,507,000	6,999,000	9,508,000	58%





PUC Utilities Reimbursement Account (0462)

State Operations

Fund/Program	Budget	Expenditure	Remaining	% Remain
0462 – Energy	84,341,000	34,896,000	49,445,000	59%
0462 – Water/Sewer	12,363,000	4,505,000	7,858,000	64%
0462 - Telecommunications	25,549,000	10,874,000	14,675,000	57%
0462-Reimbursements (Energy)	57,344,000	27,912,000	29,432,000	51%
0462-Reimbursements (Telecommunications)	500,000	-	500,000	100%





Federal Funds State Operations

Fund / Program	Budget	Expenditure	Remaining	% Remain
Energy (Pipeline and Hazardous Materials Safety Administration)	4,000,000	1,657,000	2,343,000	59%
Rail Transit Safety	3,206,000	1,822,000	1,384,000	43%





Public Purpose Programs State Operations

Fund / Program	Budget	Expenditure	Remaining	% Remain
0464 – High Cost Fund A	1,272,000	358,000	914,000	72%
0470 – High Cost Fund B	1,531,000	178,000	1,353,000	88%
0471 – California Lifeline	30,588,000	18,305,000	12,283,000	40%
0483 – Deaf & Disabled	64,077,000	49,660,000	14,417,000	22%
0493 – California Teleconnect	7,811,000	621,000	7,190,000	92%
3141 – California Advanced Services Fund	4,394,000	1,591,000	2,803,000	64%





Local Assistance Programs by Fund Source

Fund / Program	Budget	Expenditure	Remaining	% Remain
Public Purpose Programs				
0464 – High Cost Fund A	47,913,000	16,006,000	31,907,000	67%
0470 – High Cost Fund B	20,777,000	5,657,000	15,120,000	73%
0471 – CA Lifeline	599,466,000	118,251,000	481,215,000	80%
0483 – Deaf and Disabled	210,000	58,000	152,000	72%
0493 – California Teleconnect	145,065,000	8,853,000	136,212,000	94%
3141 – CA Advanced Services	72,611,000	42,838,000	29,773,000	41%
Gas Consumption Surcharge Fund				
* 3015	562,057,000	-	562,057,000	100%

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. Program has been delayed in submitting claims to the Fiscal office. A claim for \$103.8 million was submitted in January.





2017-18 Expenditures by Division as of 12/31/17

Division	Budget	Expenditure	Remaining	% Remain
Administrative Services	41,099,000	11,946,000	29,153,000	71%
Administrative law Judge	14,374,000	5,204,000	9,170,000	64%
Communications	113,926,000	72,444,000	41,482,000	36%
CPED	13,098,000	6,148,000	6,950,000	53%
Energy	24,138,000	11,748,000	12,390,000	51%
Executive	18,463,000	9,538,000	8,925,000	48%
Legal	17,304,000	7,755,000	9,549,000	55%
Office of Safety Advocate	1,558,000	239,000	1,319,000	85%
Office of Ratepayer Advocates	20,335,000	10,545,000	9,790,000	48%
Policy and Planning	1,736,000	880,000	856,000	49%
Safety and enforcement	32,206,000	13,339,000	18,867,000	59%
Water	2,929,000	1,456,000	1,473,000	50%
Total	301,166,000	151,242,000	149,924,000	





Internal Budget Development for 2018-19

- The process will begin on March 1 and will be finalized in June:
 - Directions and budget templates will be emailed in early March and the process will continue through late May.
 - Coordinate with Division BCOs and Directors.
 - Budgets will include the following: Personal Services, Contracts, Administrative Costs, Operating Expenses, Equipment, Temporary Help, Overtime, and Special Projects/Needs.
- Final Allocations will be provided to each Division in late June.
- Goals for this year's allocations:
 - Fully allocate budget authority.
 - Improve transparency and accountability for Commissioners, Executive, and Divisions.





FI\$Cal Update

- **Mock 3:**
 - 100% data from our Legacy system is copied into the FI\$Cal system.
 - 95% of Administrative Services staff that will transact in the system have obtained University of FI\$Cal early access. Currently working on the remaining 5%.
 - Identifying and mitigating role mapping issues.
 - Will be participating in Mock 3 configuration and data validation.
 - Continue to work closely with our FI\$Cal team to assure that our team receives any needed additional support/training. FI\$Cal will be on site within the next month.
- **FI\$Cal Challenges:**
 - Delayed month-end and year-end close processes.
 - Reporting—Delayed reporting will hamper monthly Finance and Administration Committee reports in 2018-19. We are evaluating possible proxies.
- **Contractor:**
 - Many other state agencies have had access to private consultants to assist in the FI\$Cal transition.
 - We are currently working on a RFO to obtain contractor assistance with the transition.





Facilities

(Changes from last month are shown in blue.)

- **300 Capitol Mall Tenant Improvement project. Construction began on February 1. Staff to move from 4th to 5th floor on March 1-2.**
- **Funds available for ADA accessibility work on bathrooms. Requested that DGS initiate project. Project is in the planning stages at this time. Also requested an estimate from DGS for completing ADA accessibility work on remaining bathrooms and cafeteria doors.**
- **Improving control of the mice at 505 Van Ness will require the cooperation of CPUC and DGS. We are working with DGS.**
- **New fire pump casing ordered. Flow test will follow. No new information.**
- **PA system will be repaired. DGS is checking dead spot speakers. DGS is still evaluating this issue.**





Appendix - 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: State Funds

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: State Funds (Cont.)

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: State Funds (Cont.)

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: State Funds Cont.

Fund / Program	Budget
0483-Deaf and Disabled Telecommunications Program Administrative Committee Fund	<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.
0493-California Teleconnect Fund Administrative Committee Fund	<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: State Funds Cont.

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: State Funds Cont.

Fund / Program	Budget
<p>3089-Public Utilities Commission Ratepayer Advocate Account</p>	<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>
<p>3141-California Advanced Services Fund</p>	<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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