

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Request for submission of proposals for relay service, beginning in June 2000, for the hearing and speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991.

DOCKET NO. 991222-TP  
ORDER NO. PSC-04-0564-PAA-TP  
ISSUED: June 2, 2004

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman  
J. TERRY DEASON  
LILA A. JABER  
RUDOLPH "RUDY" BRADLEY  
CHARLES M. DAVIDSON

NOTICE OF PROPOSED AGENCY ACTION ORDER  
APPROVING BUDGET FOR 2004-2005 FISCAL YEAR

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

The Telecommunications Access System Act of 1991 (TASA) became effective May 24, 1991 and is found in Part II, Chapter 427, Florida Statutes. TASA provides funding for the distribution of specialized telecommunications devices and provision of intrastate relay service through the imposition of a surcharge of up to \$.25 per access line per month. Accounts with over 25 lines are billed for only 25 lines. Florida Telecommunications Relay, Inc. (FTRI), a non-profit corporation formed by the local exchange telephone companies, was named by this Commission to serve as the TASA administrator.

In January 2004, this Commission approved the addition of Captel Service which required a \$.01 surcharge increase to \$.13 to cover the cost of the service. On April 6, 2004, FTRI filed for approval of its budget for fiscal year 2004-2005. FTRI proposes to increase the surcharge from \$.13 to \$.15.

The Commission is vested with jurisdiction over this matter pursuant to Chapter 427, Florida Statutes.

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FPSC-COMMISSION CLERK

Our staff reviewed the proposed budget and has worked with FTRI to understand the significant increases in expenditures. In addition, a staff auditor reviewed FTRI's documentation for some of the categories where significant increases were proposed. A review of the proposed budget showed that some adjustments were appropriate. Therefore, we find the following adjustments of the budget to be appropriate.

Item 11 - Captel Phone Equipment – This proposed amount includes funds for an extended warranty on the Captel equipment. At the time FTRI submitted the proposed budget, it did not know the actual amount that would be charged and estimated the amount at \$35 per unit. Since that time, FTRI determined that the extended warranty will cost \$11 per unit. Therefore, the difference based on 1,200 units is \$28,800, and the \$478,800 proposed shall be reduced by \$28,800, which equates to \$450,000.

Item 25 - Outreach Expense – This category includes \$40,000 for a new public service announcement (PSA) during the year for FTRI or Florida Relay, if it deemed necessary. There is also \$15,000 included for Spanish translation of the new PSA. The contract will expire with Sprint during this upcoming fiscal year and staff does not anticipate any changes that would necessitate FTRI needing a PSA for the relay service. FTRI currently has a PSA for its equipment distribution program and we do not anticipate changes that would warrant a new PSA.

This category also includes \$100,000 for the development of an Education Kit to be used to educate elementary and middle-school students about FTRI and the Florida Relay. We find this proposed amount is excessive because FTRI has already developed a Business Partners Kit which is very similar in content; therefore, the development costs should be less than estimated by FTRI. We did not eliminate the entire \$100,000 from the budget; instead it was reduced by \$50,000 dollars, which leaves \$50,000 that FTRI can use to implement the Educational Kit and see if it proves beneficial before expending additional funds.

With the current outreach effort and expenditure of \$830,300 last year, FTRI increased its client base 33% for amplified phone users and expects an increased client base with the addition of three new RDCs. Accordingly, we find that the outreach budget be reduced from \$1,100,450 to \$995,450, which is \$165,150 more than was spent during the last budget year.

Item 32 - Office Furniture Purchase – The proposed amount includes furniture for an accountant position that has not been approved by the FTRI advisory board. Therefore, we find it is inappropriate to budget furniture for an unapproved position at this time. \$2,381 has been removed.

Item 33 - Office Equipment – This amount includes office equipment funds for the unapproved accountant position that can be eliminated. \$2,214 shall be subtracted from the proposed amount of \$39,628 for a total of \$37,414.

Item 36 - Insurance Hlth/Life/Dsblty - Includes insurance funds for the accountant position. \$19,424 has been removed as fallout of removing the position from the budget.

Item 37 - Insurance Other - Includes worker compensation for the accountant position. \$52 has been removed as fallout of removing the position from the budget.

Item 38 - Office Expense - This account included \$5,000 for "outreach supplies." A Commission staff auditor requested support for this figure, but none was provided by FTRI. Lacking support of the proposed figure, we find it appropriate that this account be reduced by \$5,000.

Item 44 - Retirement - \$2,712 shall be removed for the accountant position as fallout from eliminating the position in this budget.

Item 45 - Payroll - The accountant position should be removed. The position was proposed and budgeted by FTRI, but the FTRI advisory board has not approved it. The advisory board stated that it would evaluate the future workflow to determine the necessity for the position. \$20,000 shall be deducted from the proposed \$513,545 for a total of \$493,545.

Item 46 - Temporary Help - The FTRI budget includes two full time and three half time temporary employees. We find that the removal of the three half time temporary positions which were budgeted to fill vacant positions to be appropriate. FTRI can use the funds allotted for the vacant full time positions for temporary help until the full time positions are filled. Therefore, we find the removal of the \$43,680 budgeted for the three half-time temporary positions to be appropriate. The amount for this item shall be \$58,240.

Item 47 - Payroll Taxes - Remove \$1,530 allotted for the accountant position as fallout of removing the position from the budget. Total shall be \$37,756.

Item 48 - Unemployment Taxes - Deduct \$265 for accountant position as fallout of removing the position from the budget. The total shall be \$5,306.

### **Summary of Adjustments to the FTRI 2004-2005 Budget**

FTRI's proposed budget for the fiscal year 2004-2005 is \$17,807,024. The following is a summary of adjustments:

<u>Item</u>	<u>Addition (Reduction)</u>
Item 11 - Captel Phone Equipment	\$ ( 28,800)
Item 25 - Outreach Expense	(105,000)
Item 32 - Office Furniture Purchase	( 2,381)
Item 33 - Office Equipment	( 2,214)
<b>Item 36 - Insurance Hlth/Life/Dsblty</b>	<b>( 19,424)</b>
Item 37 - Insurance Other	( 52)

Item 38 - Office Expense	( 5,000)
Item 44 - Retirement	( 2,712)
Item 45 - Payroll	( 20,000)
Item 46 - Temporary Help	( 43,680)
<b>Item 47 - Payroll Taxes</b>	<b>( 1,530)</b>
Item 48 - Unemployment Taxes	( 265)
Total	\$ <u>(231,058)</u>

Accordingly, we find it appropriate to approve a 2004-2005 fiscal year FTRI budget of \$17,575,966 as described above and illustrated in Attachment A, effective July 1, 2004, and that the TASA surcharge be increased from \$.13 to \$.15. As is the case today, the budget shall be grouped into five categories. FTRI may move amounts between these five categories not to exceed 10% of the category from which the funds are being moved; greater movement would require prior Commission authorization. This docket shall remain open during the contract period with Sprint as the relay provider. This docket is used to monitor relay and contract issues that arise during the contract term.

It is therefore,

ORDERED by the Florida Public Service Commission that the attached Florida Telecommunications Relay, Inc. budget for fiscal year 2004-2005, as amended, is approved. It is further

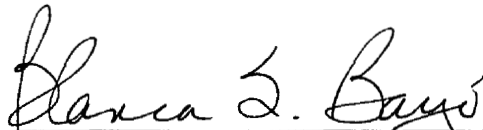
ORDERED that the local exchange telephone companies, competitive local exchange companies, and shared tenant providers shall assess a \$.15 surcharge beginning July 1, 2004. It is further

ORDERED that the budget shall be grouped into five categories. FTRI may move amounts between these five categories not to exceed 10% of the category from which the funds are being moved; greater movement shall require prior Commission authorization. It is further

ORDERED that Docket No. 991222-TP shall remain open for the duration of the current relay contract with Sprint.

By ORDER of the Florida Public Service Commission this 2nd day of June, 2004.



  
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BLANCA S. BAYÓ, Director Division  
of the Commission Clerk and  
Administrative Services

( S E A L )

JPR

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on June 23, 2004.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

FLORIDA TELECOMMUNICATIONS RELAY, INC.

FISCAL YEAR 2004-2005 BUDGET

ITEM NUMBER		2003-2004 APPROVED BUDGET	2003-2004 ESTIMATED REVENUE & EXPENDITURES	2004-2005 PROPOSED BUDGET	STAFF RECOMMENDED AMOUNT IF CHANGED FROM PROPOSED AMOUNT
		\$	\$	\$	\$
	<u>Operating Revenue</u>				
1	<i>Surcharges</i>	15,487,150	15,130,807	17,852,927	
2	<i>Interest Income</i>	11,714	15,082	14,950	
3	<i>Service/Other</i>	0	0	0	
4	<i>Surplus Account</i>	925,212	1,563,702	1,463,383	
	<u>GRAND TOTAL REVENUE</u>	<b>16,424,076</b>	<b>16,709,591</b>	<b>19,331,260</b>	
CATEGORY I	<u>Operating Expenses/ Relay Services</u>				
5	<i>DPR Provider</i>	8,011,548	7,603,854	8,133,661	
CATEGORY II	<u>Equipment &amp; Repairs</u>				
6	<i>TDD Equipment</i>	445,278	344,500	355,806	
7	<i>Large Print TDDs</i>	13,632	11,360	5,680	
8	<i>VCO/HCO – TDD</i>	70,920	72,000	86,220	
9	<i>VCO Telephone</i>	82,936	56,972	39,745	
10	<i>Dual Sensory Equipment</i>	39,840	6,500	13,000	
11	<i>Capitel Equipment</i>	N/A	157,200	478,800	450,000
12	<i>VCP Hearing Impaired</i>	2,458,272	2,957,213	3,548,655	
13	<i>VCP Speech Impaired</i>	14,612	9,098	10,936	
14	<i>TeliTalk Speech Aid</i>	360,000	190,800	136,800	
15	<i>Jupiter Speaker Phone</i>	N/A	24,500	24,500	
16	<i>In-Line Amplifier</i>	6,240	4,380	5,260	
17	<i>ARS Signaling</i>	266,281	251,199	301,430	

ITEM NUMBER		2003-2004 APPROVED BUDGET	2003-2004 ESTIMATED REVENUE & EXPENDITURES	2004-2005 PROPOSED BUDGET	STAFF RECOMMENDED AMOUNT IF CHANGED FROM PROPOSED AMOUNT
		\$	\$	\$	\$
	<i>Equipment</i>				
18	<i>VRS Signaling Equipment</i>	73,950	53,721	53,721	
19	<i>TRS Signaling Equipment</i>	1,344	560	1,120	
20	<i>Telecom Equipment Renair</i>	87,566	90,659	112,560	
	<b>TOTAL CATEGORY II</b>	<b>3,920,871</b>	<b>4,230,662</b>	<b>5,174,233</b>	
CATEGORY III	<u><i>Equipment Distribution &amp; Training</i></u>				
21	<i>Freight-Telecom Equipment</i>	47,112	19,087	43,040	
22	<i>Regional Distribution Centers</i>	1,267,752	1,451,576	1,942,755	
23	<i>Workshop Expense</i>	43,235	34,112	47,568	
24	<i>Training Expense</i>	32,400	20,554	3,732	
	<b>TOTAL CATEGORY III</b>	<b>1,390,499</b>	<b>1,525,329</b>	<b>2,037,095</b>	
CATEGORY IV	<u><i>Outreach</i></u>				
25	<i>Outreach Expense</i>	892,900	830,300	1,100,450	995,450
	<b>TOTAL CATEGORY IV</b>	<b>892,900</b>	<b>830,300</b>	<b>1,100,450</b>	
CATEGORY V	<u><i>General &amp; Administrative</i></u>				
26	<i>Advertising</i>	3,000	6,786	6,600	
27	<i>Accounting/Auditing</i>	28,000	14,150	14,575	
28	<i>Legal</i>	72,000	72,000	72,000	
29	<i>Computer Consultation</i>	4,690	10,005	18,200	

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		\$	\$	\$	\$
30	<i>Bank Charges</i>	2,160	2,342	2,412	
31	<i>Dues &amp; Subscriptions</i>	2,365	1,940	3,256	
32	<i>Office Furniture Purchase</i>	9,574	2,733	7,041	4,660
33	<i>Office Equipment Purchase</i>	34,311	15,036	39,628	37,414
34	<i>Depreciation</i>	0	0	0	
35	<i>Office Equipment Lease</i>	4,712	3,315	4,925	
36	<i>Insurance-Health/Life/Disability</i>	183,893	160,116	238,418	218,994
37	<i>Insurance -- Other</i>	5,660	5,800	6,634	6,582
38	<i>Office Expense</i>	20,648	17,595	22,427	17,427
39	<i>Office Moving Expense</i>	0	0	0	
40	<i>Postage</i>	24,703	15,650	24,703	
41	<i>Printing</i>	4,052	3,101	3,496	
42	<i>Rent</i>	78,816	78,816	81,181	
43	<i>Utilities</i>	6,290	6,027	7,383	
44	<i>Retirement</i>	58,352	55,596	69,637	66,925
45	<i>Employee Compensation</i>	516,391	439,971	513,545	493,545
46	<i>Temporary Employment</i>	19,404	37,676	101,920	58,240
47	<i>Taxes -- Payroll</i>	39,504	33,658	39,286	37,756
48	<i>Taxes -- Unemployment Compensation</i>	4,094	4,030	5,571	5,306
49	<i>Taxes -- Licenses</i>	61	61	61	
50	<i>Telephone</i>	21,286	19,791	23,201	
51	<i>Travel &amp; Business</i>	28,096	33,314	36,950	
52	<i>Equipment Maintenance</i>	6,615	6,615	7,215	
53	<i>Employee Training</i>	4,900	3,238	7,160	



ITEM NUMBER		2003-2004 APPROVED BUDGET	2003-2004 ESTIMATED REVENUE & EXPENDITURES	2004-2005 PROPOSED BUDGET	STAFF RECOMMENDED AMOUNT IF CHANGED FROM PROPOSED AMOUNT
		\$	\$	\$	\$
54	<i>Meeting Expense</i>	3,220	6,701	3,960	
55	<i>Miscellaneous</i>	200	0	200	
	<u>TOTAL</u> <u>CATEGORY V</u>	<b>1,186,997</b>	<b>1,056,063</b>	<b>1,361,585</b>	
	<u>TOTAL</u> <u>EXPENSES</u>	<b>15,402,815</b>	<b>15,246,208</b>	<b>17,807,024</b>	<b>17,575,966</b>