

State of Florida



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** March 18, 2015  
**TO:** Carlotta Stauffer, Commission Clerk, Office of Commission Clerk  
**FROM:** Curtis J. Williams, Office of Telecommunications *CW*  
**RE:** Docket No. 110013-TP and Docket No. 140029-TP - Document Filing

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Please file a copy of the attached document from James Forstall regarding FTRI's 2015/2016 Proposed Budget in Docket No. 110013-TP and Docket No. 140029-TP.

Please let me know if you have any questions.

### Attachments

Cc: Bob Casey  
Beth Salak  
Pamela Page  
Jeff Bates

RECEIVED-FPSC  
15 MAR 18 PH 3:25  
COMMISSION  
CLERK

15 MAR 10 AM 2:32

March 9, 2015

OFFICE OF  
TELECOMMUNICATIONS

Mr. Curtis Williams  
Office of Telecommunications  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0866

**Re: FTRI FY 2015/2016 Budget**

Dear Mr. Williams:

I am pleased to forward a copy of the FY 2015/2016 budget that was recently approved by the Florida Telecommunications Relay, Inc. (FTRI) Board of Directors. This budget was reviewed by our Budget and Outreach Committees and adopted by the Board on March 6, 2015.

As approved, the budget is based on a surcharge of .11 which is the current level and projects revenues of \$8,064,442 and expenses of \$8,916,216 leaving a shortfall of \$851,774 which can be eliminated by transferring funds from the surplus account, which is now over \$15 million dollars, or by increasing the surcharge. In order to maintain the surcharge at the current level, FTRI proposes that funds from the surplus be used to eliminate the budget shortfall, as the Commission has directed with past budgets.

There are two primary reasons for the projected shortfall:

1. Declining access lines; and
2. Increase in cost of relay.

The issue of declining access lines has been addressed in prior budget submissions but is now becoming more of an impact on the budget. Since FY 2008, access lines have decreased from an average of 9,194,091 for that period to 6,284,851 for FY 2014; a loss of 2,909,240 access lines. On average, access lines have decreased by approximately 6% annually. Recently the annual decrease has been in the 4% range which was used for the budget projections but the fact remains that revenues for FY 2016 will be lower than FY 2015 by approximately \$500,000 due to decreased access lines. At one time a one (1) cent change in the surcharge produced nearly one (1) million dollars; at present that change would produce approximately \$600,000.

The second significant change is the projected cost for the relay service. The Commission entered into a new contract with Sprint to provide services for Florida Relay and the billable minute rates for both TRS and CapTel have increased. The increase is projected to be approximately \$482,000 higher than current year end estimates.

Together the loss of revenue from declining access lines and the increase in Relay expense amounts to approximately one (1) million dollars.

FTRI has worked diligently to control the cost of the program. With the exception of those two items that have significant operational impacts, the proposed budget is consistent with the past budget. FTRI strives to ensure that we operate in a manner that meets the needs of the citizens of Florida. Since the inception of TASA, no eligible citizen of Florida has been denied equipment or related services because it was not available due to funds.

As always, I am available to answer any questions or provide any additional information you may need and please do not hesitate to contact me.

Sincerely,



James Forstall  
Executive Director

CC: FTRI Board of Directors  
Norman Horton, FTRI Legal Counsel

Florida Telecommunications Relay, Inc.  
Fiscal Year 2015/2016 Budget @ .11 cents surcharge

	2014/2015 APPROVED BUDGET	2014/2015 ESTIMATED REV & EXPEND	2015/2016 PROPOSED BUDGET	VARIANCE 2014/2015 2015/2016
<b>OPERATING REVENUE</b>				
1	8,013,558	7,877,499	7,562,400	(451,158)
2	55,787	43,654	33,293	(22,494)
3	458,832	217,398	468,749	9,917
	<b>TOTAL OPERATING REV</b>	<b>8,138,551</b>	<b>8,064,442</b>	<b>(463,735)</b>
<b>OTHER REVENUE/FUNDS</b>				
4	15,785,879	15,470,951	15,722,595	(63,284)
	<b>TOTAL REVENUE</b>	<b>23,609,502</b>	<b>23,787,037</b>	<b>(527,019)</b>
<b>OPERATING EXPENSES</b>				
<b>CATEGORY I - RELAY SERVICES</b>				
5	3,464,351	3,489,539	3,971,499	507,148
	<b>SUBTOTAL-CATEGORY I</b>	<b>3,464,351</b>	<b>3,971,499</b>	<b>507,148</b>
<b>CATEGORY II - EQUIPMENT &amp; REPAIRS</b>				
6	0	0	0	0
7	0	0	0	0
8	0	0	720	720
9	0	0	0	0
10	10,000	0	5,000	(5,000)
11	38,700	25,112	0	(38,700)
12	1,240,342	1,247,003	1,459,148	218,806
13	1,801	5,373	1,386	(415)
14	9,000	21,600	18,000	9,000
15	7,546	0	0	(7,546)
16	600	0	0	(600)
17	9,752	6,241	6,501	(3,251)
18	16,080	16,080	16,080	0
19	2,000	5,880	2,980	980
20	202,111	230,445	199,074	(3,037)
	<b>SUBTOTAL-CATEGORY II</b>	<b>1,537,932</b>	<b>1,708,889</b>	<b>170,957</b>
<b>CATEGORY III - EQUIPMENT DISTRIBUTION &amp; TRAINING</b>				
21	84,742	71,141	74,314	(10,428)
22	932,347	936,056	987,351	55,004
23	0	0	65,000	65,000
24	1,000	936	2,000	1,000
	<b>SUBTOTAL-CATEGORY III</b>	<b>1,018,089</b>	<b>1,128,665</b>	<b>110,576</b>

Florida Telecommunications Relay, Inc.  
Fiscal Year 2015/2016 Budget @ .11 cents surcharge

	2014/2015 APPROVED BUDGET	2014/2015 ESTIMATED REV & EXPEND	2015/2016 PROPOSED BUDGET	VARIANCE 2014/2015 2015/2016
<b>CATEGORY IV - OUTREACH</b>				
25 Outreach Expense	607,200	607,142	599,800	(7,400)
SUBTOTAL-CATEGORY IV	607,200	607,142	599,800	(7,400)
<b>CATEGORY V - GENERAL &amp; ADMINISTRATIVE</b>				
26 Advertising	4,905	1,310	2,641	(2,264)
27 Accounting/Auditing	28,336	24,974	24,896	(3,440)
28 Legal	72,000	72,000	72,000	0
29 Computer Consultation	18,690	16,957	23,970	5,280
30 Dues & Subscriptions	3,060	3,010	3,034	(26)
31 Office Furniture Purchase	500	0	250	(250)
32 Office Equipment Purchase	18,500	10,712	12,500	(6,000)
33 Office Equipment Lease	1,935	1,797	1,886	(49)
34 Insurance-Health/Life/Dsblty	209,578	168,537	176,487	(33,091)
35 Insurance-Other	9,292	8,446	8,897	(395)
36 Office Expense	17,014	15,958	16,524	(490)
37 Postage	12,527	9,844	9,917	(2,610)
38 Printing	1,860	1,525	1,537	(323)
39 Rent	91,184	91,653	91,280	96
40 Utilities	7,077	5,762	5,808	(1,269)
41 Retirement	66,925	60,137	60,036	(6,889)
42 Employee Compensation	498,750	432,073	434,558	(64,192)
43 Temporary Employment	8,000	1,600	8,000	0
44 Taxes - Payroll	38,155	33,056	33,244	(4,911)
45 Taxes - Unemplmt Comp	901	2,033	2,032	1,131
46 Taxes - Licenses	65	65	65	0
47 Telephone	19,138	17,016	18,670	(468)
48 Travel & Business	10,408	16,167	16,296	5,888
49 Equipment Maint.	1,349	1,342	1,353	4
50 Employee Training/Dev	7,000	5,300	7,000	0
51 Meeting Expense	3,149	5,687	5,733	2,584
52 Miscellaneous Expense	0	0	0	0
SUBTOTAL-CATEGORY V	1,150,298	1,006,961	1,038,614	(111,684)
<b>CATEGORY VI - NDBEDP</b>				
53 NDBEDP - Expense	458,832	217,398	468,749	9,917
SUBTOTAL-CATEGORY VI	458,832	217,398	468,749	9,917
<b>TOTAL EXPENSES</b>	<b>8,236,702</b>	<b>7,886,907</b>	<b>8,916,216</b>	<b>679,514</b>
<b>REVENUE LESS EXPENSES</b>	<b>16,077,354</b>	<b>15,722,595</b>	<b>14,870,821</b>	<b>(1,206,533)</b>