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FPSC - COMMISSION CLERK

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:** April 23, 2015

**TO:** Office of Commission Clerk (Stauffer)

**FROM:** Office of Telecommunications (Williams, Casey)  
Office of General Counsel (Page) *PHW S.M.C. [Signature]*

**RE:** Docket No. 140029-TP – Request for submission of proposals for relay service, beginning in June 2015, for the deaf, hard of hearing, deaf/blind, or speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991.

**AGENDA:** 05/05/15 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** ~~Brisé~~ Administrative *4-23-15 [Signature]*

**CRITICAL DATES:** July 1, 2015 – Effective date of Florida Telecommunications Relay, Inc. budget. Notification of any change in the Telecommunications Access System Act surcharge must be made to carriers prior to July 1, 2015.

**SPECIAL INSTRUCTIONS:** Anticipate the need for sign language interpreters and assisted listening devices. Please place near the beginning of the agenda to reduce interpreter costs.

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#### Case Background

The Florida Relay System provides deaf and hard of hearing persons access to basic telecommunications services by using a specialized Communications Assistant that relays information between the deaf or hard of hearing person and the other party to the call. The primary function of the Florida Relay System is accomplished by the deaf or hard of hearing

person using a Telecommunications Device for the Deaf where the person using the Telecommunications Device for the Deaf types a message to the Communications Assistant who in turn voices the message to the other party, or a Captioned Telephone which displays real-time captions of the conversation.

The Telecommunications Access System Act of 1991 (TASA) established a statewide telecommunications relay system which became effective May 24, 1991. The Telecommunications Access System Act is authorized pursuant to Chapter 427, Florida Statutes (F.S.). Section 427.701(1), F.S., provides that the Florida Public Service Commission (Commission) shall establish, implement, promote, and oversee the administration of the statewide telecommunications access system to provide access to telecommunications relay services by persons who are deaf, hard of hearing or speech impaired, or others who communicate with them. It is estimated that three million of the estimated 19 million persons living in Florida have been diagnosed as having a hearing loss. This system provides telecommunications service for deaf or hard of hearing persons functionally equivalent to the service provided to hearing persons.

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 \$0.25 per landline access line per month. Accounts with over 25 access lines are billed for only 25 lines. Pursuant to Section 427.704(4)(a)1, F.S., a surcharge is collected only from landline access lines.<sup>1</sup>

Florida Telecommunications Relay, Inc. (FTRI), a non-profit corporation formed by the local exchange telephone companies, was selected by the Commission to serve as the Telecommunications Access System Act Administrator. On July 1, 1991, the local exchange telecommunications companies began collecting an initial \$.05 per access line surcharge pursuant to Order No. 24581. Since that time, the surcharge has changed to reflect budgetary needs, but has been maintained at \$0.11 per month since June 2007.

In regards to the \$0.11 surcharge, it is important to point out that Chapter 427, F.S., requires that the relay system be compliant with regulations adopted by the Federal Communications Commission (FCC) to implement Title IV of the Americans with Disabilities Act. The FCC mandates the minimum requirements for services a state must provide, certifies each state program, and periodically proposes changes in the stipulated services.

Staff sent a data request to FTRI on a number of issues included in its proposed budget. FTRI's responses to staff's data request are included in the docket file. The purpose of this recommendation is to address the FTRI proposed 2015/2016 fiscal year budget. The Commission is vested with jurisdiction pursuant to Chapter 427, F.S.

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<sup>1</sup> Florida Telecommunications Relay, Inc. projects a 4 percent decrease in landline access lines subject to the relay surcharge for the budget year 2015/2016.

### Discussion of Issues

**Issue 1:** Should the Commission approve FTRI's proposed budget as outlined in Attachment A for fiscal year 2015/2016, effective July 1, 2015, and should the Commission maintain the current Telecommunications Relay Service (TRS) surcharge of \$0.11 per month?

**Recommendation:** Staff recommends the Commission approve Option 4 in staff's analysis which reduces FTRI's proposed budget by \$851,774. FTRI should determine which individual accounts of Category II, Category III, Category IV, and Category V expenses should be adjusted to equal the Commission-approved decrease. Staff recommends that FTRI re-submit its budget within 30 days of the Commission vote. The revised budget should show adjustments to the individual accounts reflecting the \$851,774 decrease. Staff recommends that staff be granted administrative authority to approve the resubmitted budget as long as it adheres to the Commission's decision. However, if the revised budget indicates an allocation of funds inconsistent with the purpose and intent of TASA, staff will bring the revised budget back to the Commission for further consideration. Staff also recommends that the TRS surcharge be maintained at \$0.11 per month for fiscal year 2015/2016, effective July 1, 2015. The Commission should order the incumbent local exchange companies, competitive local exchange companies, and shared tenant providers to continue to bill the \$0.11 surcharge for fiscal year 2015/2016, effective July 1, 2015. (Williams, Casey, Page)

**Staff Analysis:** Minutes of use for traditional TRS continue to decline. Traditional relay users are transitioning to the more efficient technologies of Internet Protocol Relay,<sup>2</sup> Video Relay Service,<sup>3</sup> Captioned Telephone Service,<sup>4</sup> Internet Protocol Captioned Telephone Service,<sup>5</sup> Internet Protocol Speech to Speech service,<sup>6</sup> and wireless service. Minutes of use for CapTel service have also declined.

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<sup>2</sup> IP Relay allows people who have difficulty hearing or speaking to communicate through an Internet connection using a computer and the Internet, rather than a TTY and a telephone.

<sup>3</sup> Video Relay Service (VRS) is a form of Telecommunications Relay Service that enables persons with hearing disabilities who use American Sign Language to communicate with voice telephone users through video equipment, rather than through typed text. Video equipment links the VRS user with a TRS operator so that the VRS user and the operator can see and communicate with each other in signed conversation. Because the conversation between the VRS user and the operator flows much more quickly than with a text-based TRS call, VRS has become a popular form of TRS.

<sup>4</sup> A telephone that displays real-time captions of a conversation. The captions are typically displayed on a screen embedded into the telephone base.

<sup>5</sup> IP captioned telephone service allows the user to simultaneously listen to, and read the text of, what the other party in a telephone conversation has said, where the connection carrying the captions between the service and the user is via an IP addressed and routed link.

<sup>6</sup> Speech to Speech relay service utilizes a specially trained CA who understands the speech patterns of persons with speech disabilities and can repeat the words spoken by such an individual to the other party to the call. IP STS uses the Internet, rather than the public switched telephone network, to connect the consumer to the relay provider. Instead of using a standard telephone to make the relay call, an IP STS user can use a personal computer or personal digital assistant (PDA) device and, with the installation of softphone application software, can make a voice call via the Internet to the relay provider. The call is initiated by the user clicking on an icon on his or her computer or PDA; the relay user is then connected to a CA over the Internet and tells the CA the number to be dialed; the CA then connects the IP STS user with the called party and relays the call between the two parties.

Access lines in Florida to which the relay surcharge applies continue to decline. FTRI points out in its filing that since fiscal year 2008, access lines have decreased from an average of 9,194,091 for that period to 6,284,851 for fiscal year 2014, a loss of 2,909,240 access lines. FTRI maintains that declining access lines is one of the primary reasons for its projected shortfall. As presented in its cover letter accompanying its budget, FTRI's revenue forecast is based on a 4 percent decline in access lines.

FTRI's proposed budget is also impacted by an increase in the cost of relay service. FTRI will incur higher relay provider cost based on the new contract for relay service with Sprint which went into effect on March 1, 2015. The TRS cost for the AT&T contract was \$0.76 per session minute, and the CapTel cost was \$1.47 per session minute. The TRS rate offered by Sprint under the current contract is \$1.09 per session minute and \$1.63 per session minute for CapTel.

### FTRI Proposed Budget

Attachment A reflects FTRI's proposed 2015/2016 fiscal year budget, which was reviewed and adopted by the FTRI Board of Directors on March 6, 2015, prior to filing with the Commission. After a staff review of the proposed budget, staff believes there are four options for the Commission to consider.

#### Option 1 – Approve FTRI budget as filed using the relay surplus account to offset the \$851,774 deficit.

FTRI's 2015/2016 proposed budget filing includes a deficit of \$851,774 which it believes can be eliminated by transferring funds from the surplus account. Option 1 recommends that the \$851,774 proposed FTRI budget deficit be eliminated by transferring funds from the relay surplus account to FTRI.

The relay surplus account was created to offset intrastate Internet Relay costs which the FCC continues to maintain in its orders should be absorbed by the states. Presently, the interstate TRS Fund is paying for both intrastate and interstate Internet Relay such as Video Relay Service, Internet Protocol Relay Service, and Internet Protocol Captioned Telephone Service. Traditional relay users are transitioning to these Internet Protocol technologies which are more efficient, and presently being paid through the interstate TRS fund. However, the FCC as recently as August 2013, stated that this arrangement is only temporary. The FCC believes Title IV and its legislative history make plain that Congress intended that the states be responsible for the cost recovery for intrastate relay services provided under their jurisdiction.<sup>7</sup>

In a February 25, 2015 FCC meeting with the National Association for State Relay Administration (NASRA), and the Telecommunications Equipment Distribution Program Association (TEDPA),<sup>8</sup> the FCC verbally stated that it is "exploring the option of the IP CTS funding to stay with the Interstate TRS fund and the obligation for managing the program shift to

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<sup>7</sup> Federal Communications Commission Report and Order and Further Notice of Proposed rulemaking, CG Docket No. 03-123, released on August 26, 2013, FCC 13-118, ¶135.

<sup>8</sup> The Commission is a member state of NASRA, and James Forstall, FTRI Executive Director, is Chair of TEDPA.

the Equipment Distribution Programs (EDP).”<sup>9</sup> However, the Telecom Act, and all FCC Orders to date have indicated that states will be responsible for the cost recovery for intrastate relay services provided under their jurisdiction.

If the FCC were to mandate state funding of Video Relay Service, Internet Protocol Relay Service, and Internet Protocol Captioned Telephone Service, it is estimated that at least \$32 million would be needed to adequately fund the state program. Staff believes that if Florida had to absorb the intrastate costs of these Internet Protocol technologies, the maximum \$0.25 per access line relay surcharge mandated by state law would be exceeded and a change in state law would be required.<sup>10</sup>

The Commission, by Order PSC-06-0469-PAA-TP, issued June 1, 2006, in Docket No. 040763-TP, maintained the FTRI surcharge at \$0.15/month for one year in lieu of a surcharge reduction, to prepare the state Telecommunications Relay Service Fund for assuming the intrastate costs of Video Relay Service and Internet Protocol Relay, and to allow time to determine how the costs should be recovered. The FCC has acknowledged that should it decide to mandate state funding, such transition would come with a reasonable phase in period of up to several years to provide states with sufficient notice.

FTRI believes that the \$851,774 deficit could be eliminated by using the surplus account money to offset the deficit. If the Commission approves Option 1, staff recommends that the \$851,774 proposed FTRI budget deficit be eliminated by transferring funds from the relay surplus account to FTRI. Staff also recommends that the TRS surcharge be maintained at \$0.11 per month for fiscal year 2015/2016, effective July 1, 2015. The Commission should order the incumbent local exchange companies, competitive local exchange companies, and shared tenant providers to continue to bill the \$0.11 surcharge for fiscal year 2015/2016, effective July 1, 2015.

Option 2 – Approve FTRI budget as filed by increasing the monthly relay surcharge from \$0.11 to \$0.13 to offset the \$851,774 deficit.

FTRI also believes that the \$851,774 deficit could be eliminated by increasing the monthly relay surcharge. Option 2 recommends that the \$851,774 proposed FTRI budget deficit be eliminated by increasing the monthly relay surcharge from \$0.11 to \$0.13. The relay surcharge has been maintained at \$0.11 per month since June 2007, and is collected only from local exchange company landline access lines. Staff has calculated that a \$0.02 increase in the surcharge from \$0.11 to \$0.13 per month would be necessary to cover the \$851,774 deficit in the FTRI proposed 2015/2016 budget.

If the Commission approves Option 2, staff recommends that the TRS surcharge be increased to \$0.13 per month for fiscal year 2015/2016, effective July 1, 2015, and recommends that the Commission order the incumbent local exchange companies, competitive local exchange companies, and shared tenant providers to bill the \$0.13 surcharge for fiscal year 2015/2016, effective July 1, 2015.

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<sup>9</sup> NASRA ExParte Filing with FCC Dated March 13, 2015, Filed March 20, 2015. See NASRA/TEDPA.

<sup>10</sup> See Section 427.704(4)(a)3.(b), F.S.

Option 3 – Reduce FTRI budget by \$369,814, and use \$481,960 of surplus funds to offset the remaining proposed deficit.

The 2015/2016 proposed budget projects total operating revenues to be \$8,064,442 and total expenses to be \$8,916,216. Staff believes that FTRI should have estimated the continued decline in access lines more accurately based on historical and projected data and implemented appropriate expense reductions to address the decline. It has been thoroughly discussed before the Commission during previous FTRI budget proceedings that the anticipated future decline in access lines will have a continued negative impact on FTRI's budget, and that appropriate cost reductions by FTRI to mitigate the impact is necessary.

Of the \$851,774 projected deficit included in FTRI's proposed budget, \$481,960 is due to higher per minute session rates by Sprint Relay, Florida's new relay service provider. The remaining \$369,814 deficit is attributable to FTRI expenses other than the relay service provider.

Staff understands FTRI's desire to transfer funds from the surplus account to cover relay provider costs for the 2015/2016 fiscal year. FTRI will incur higher relay provider costs based on the change in service provider in 2015 from AT&T to Sprint. Option 3 mitigates some of the concerns about using the surplus account to supplement FTRI's budget by only using the surplus account for a portion of FTRI's projected deficit.

Staff had a communication with FTRI concerning the possibility of reducing its proposed budget on April 2, 2015. Staff suggested to FTRI that if it believed its budget could be reduced in some manner, that it submit a revised budget. Staff did not receive a response from FTRI. Under Option 3, staff recommends that FTRI should reduce its budget by \$369,814, and the \$481,960 increase due to a change to a new relay service provider be transferred from the reserve account to FTRI.

If the Commission approves Option 3, staff recommends FTRI determine which individual accounts of Category II, Category III, Category IV, and Category V expenses should be adjusted to equal the Commission-approved budget decrease of \$369,814. Staff recommends that the \$481,960 increase due to a change to a new relay service provider be transferred from the reserve account to FTRI. Staff recommends that FTRI re-submit its budget within 30 days of the Commission vote. The revised budget should show adjustments to the individual accounts and staff should be granted administrative authority to approve the resubmitted budget as long as it adheres to the Commission's decision. However, if the revised budget indicates an allocation of funds inconsistent with the purpose and intent of TASA, staff will bring the revised budget back to the Commission for further consideration. Staff also recommends that the TRS surcharge be maintained at \$0.11 per month for fiscal year 2015/2016, effective July 1, 2015. The Commission should order the incumbent local exchange companies, competitive local exchange companies, and shared tenant providers to continue to bill the \$0.11 surcharge for fiscal year 2015/2016, effective July 1, 2015.

Option 4 – Reduce FTRI budget by \$851,774 to offset the total proposed deficit.

Option 4 recommends that FTRI reduce its budget to eliminate the entire \$851,774 deficit. If the Commission approves Option 4, staff recommends FTRI reduce its proposed



budget by \$851,774 by determining which individual accounts of Category II, Category III, Category IV, and Category V expenses should be adjusted to equal the Commission-approved decrease. Staff recommends that FTRI re-submit its budget within 30 days of the Commission vote. The revised budget should show adjustments to the individual accounts reflecting an \$851,774 decrease in its proposed 2015-2016 budget. Staff recommends that staff be granted administrative authority to approve the resubmitted budget as long as it adheres to the Commission's decision. However, if the revised budget indicates an allocation of funds inconsistent with the purpose and intent of TASA, staff will bring the revised budget back to the Commission for further consideration. Staff also recommends that the TRS surcharge be maintained at \$0.11 per month for fiscal year 2015/2016, effective July 1, 2015. The Commission should order the incumbent local exchange companies, competitive local exchange companies, and shared tenant providers to continue to bill the \$0.11 surcharge for fiscal year 2015/2016, effective July 1, 2015.

Summary

A comparison of FTRI's 2014/2015 Estimated Revenue & Expenses, along with each of the Options presented above is shown below.

	Estimated Revenue & Expenses 2014-2015	Option 1 100% from surplus account 2015-2016	Option 2 Increase surcharge \$0.02 2015-2016	Option 3 Reduce budget & use surplus account 2015-2016	Option 4 Reduce budget by deficit total 2015-2016
Operating Revenue:					
Surcharges	\$ 7,877,499	\$7,562,400	\$8,937,381	\$ 7,562,400	\$ 7,562,400
Interest Income	43,654	33,293	33,293	33,293	33,293
NDBEDP <sup>11</sup>	<u>217,398</u>	<u>468,749</u>	<u>468,749</u>	<u>468,749</u>	<u>468,749</u>
Total Operating Revenue	\$ 8,138,551	8,064,442	9,439,423	\$ 8,064,442	\$ 8,064,442
Operating Expenses:					
CATEGORY I - Relay Provider Services	\$ 3,489,539	\$3,971,499	\$3,971,499	\$ 3,971,499	\$ 3,971,499
CATEGORY II - Equipment and Repairs	1,557,734	1,708,889	1,708,889	TBD	TBD
CATEGORY III - Equipment Distribution And Training	1,008,133	1,128,665	1,128,665	TBD	TBD
CATEGORY IV - Outreach	607,142	599,800	599,800	TBD	TBD
CATEGORY V - General & Administrative	1,006,961	1,038,614	1,038,614	TBD	TBD
CATEGORY VI - NDBEDP	<u>217,398</u>	<u>468,749</u>	<u>468,749</u>	<u>468,749</u>	<u>468,749</u>
Total Expenses	\$ 7,886,907	\$8,916,216	\$8,916,216	\$ 8,546,402	\$ 8,064,442
Annual Surplus	251,644	(851,774)	523,207	(481,960)	0
Total Surplus	\$15,722,595	\$14,870,821	16,245,802	\$15,240,635	\$15,722,595

<sup>11</sup> National Deaf Blind Equipment Distribution Program.

### Conclusion

Option 1 would allow the \$851,774 deficit to be eliminated by transferring funds from the relay surplus account to FTRI. Option 2 would offset the \$851,774 proposed FTRI budget deficit by increasing the monthly relay surcharge from \$0.11 to \$0.13. Option 3 would offset the \$851,774 proposed FTRI budget deficit by reducing the FTRI budget by \$369,814, and using \$481,960 of surplus funds to offset relay provider cost. Option 4 would offset the \$851,774 proposed FTRI budget deficit by reducing the FTRI budget by \$851,774. Options 1, 3 and 4 would maintain the relay surcharge at \$0.11 per month for the 2015/2016 FTRI budget. Option 2 would increase the surcharge from \$0.11 to \$0.13.

It is true that landline access lines, which are charged a monthly relay surcharge, continue to decrease, but that does not mean that deaf relay services are being hindered. Loss of landline access lines is occurring on a national basis as more and more consumers transition to wireless and Voice over Internet Protocol (VoIP) services. Deaf and hard-of-hearing consumers are just a part of that technology transition. Staff believes that by statute, wireless and VoIP relay services are not within the Commission's jurisdiction.

Although the Commission in past years has allowed FTRI to use surplus fund money for its budget deficits, recent decisions have required FTRI to live within its budget. Staff believes the surplus account should be maintained at this time pending a final decision by the FCC of whether costs of intrastate Internet Protocol services will be shifted to the states. Staff also believes that increasing the relay surcharge at this time would place an additional burden on consumers and should not be done.

Therefore, staff recommends the Commission approve Option 4 in staff's analysis which reduces FTRI's proposed budget by \$851,774. FTRI should determine which individual accounts of Category II, Category III, Category IV, and Category V expenses should be adjusted to equal the Commission-approved decrease. Staff recommends that FTRI re-submit its budget within 30 days of the Commission vote. The revised budget should show adjustments to the individual accounts reflecting the \$851,774 decrease. Staff recommends that staff be granted administrative authority to approve the resubmitted budget as long as it adheres to the Commission's decision. However, if the revised budget indicates an allocation of funds inconsistent with the purpose and intent of TASA, staff will bring the revised budget back to the Commission for further consideration. Staff also recommends that the TRS surcharge be maintained at \$0.11 per month for fiscal year 2015/2016, effective July 1, 2015. The Commission should order the incumbent local exchange companies, competitive local exchange companies, and shared tenant providers to continue to bill the \$0.11 surcharge for fiscal year 2015/2016, effective July 1, 2015.



**Issue 2:** Should the docket be closed?

**Recommendation:** No. A Consummating Order should be issued, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action. The docket should remain open to address all matters related to relay service throughout the life of the current Sprint contract. (Williams, Casey, Page)

**Staff Analysis:** A Consummating Order should be issued, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action. The docket should remain open to address all matters related to relay service throughout the life of the current Sprint contract.



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OFFICE OF  
TELECOMMUNICATIONS

March 9, 2015

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 Surcharges	8,013,558	7,877,499	7,562,400	(451,158)
2 Interest Income	55,787	43,654	33,293	(22,494)
3 NDBEDP	458,832	217,398	468,749	9,917
<b>TOTAL OPERATING REV</b>	<b>8,528,177</b>	<b>8,138,551</b>	<b>8,064,442</b>	<b>(463,735)</b>
<b>OTHER REVENUE/FUNDS</b>				
4 Surplus Account	15,785,879	15,470,951	15,722,595	(63,284)
<b>TOTAL REVENUE</b>	<b>24,314,056</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 DPR Provider	3,464,351	3,489,539	3,971,499	507,148
<b>SUBTOTAL-CATEGORY I</b>	<b>3,464,351</b>	<b>3,489,539</b>	<b>3,971,499</b>	<b>507,148</b>
<b>CATEGORY II - EQUIPMENT &amp; REPAIRS</b>				
6 TDD Equipment	0	0	0	0
7 Large Print TDD's	0	0	0	0
8 VCO/HCO - TDD	0	0	720	720
9 VCO Telephone	0	0	0	0
10 Dual Sensory Equipment	10,000	0	5,000	(5,000)
11 CapTel Phone Equipment	38,700	25,112	0	(38,700)
12 VCP Hearing Impaired	1,240,342	1,247,003	1,459,148	218,806
13 VCP Speech Impaired	1,801	5,373	1,386	(415)
14 TellTalk Speech Aid	9,000	21,800	18,000	9,000
15 Jupiter Speaker phone	7,546	0	0	(7,546)
16 In-Line Amplifier	600	0	0	(600)
17 ARS Signaling Equip	9,752	6,241	6,501	(3,251)
18 VRS Signaling Equip	16,080	16,080	16,080	0
19 Accessories & Supplies	2,000	5,880	2,980	980
20 Telecomm Equip Repair	202,111	230,445	199,074	(3,037)
<b>SUBTOTAL-CATEGORY II</b>	<b>1,537,932</b>	<b>1,557,734</b>	<b>1,708,889</b>	<b>170,957</b>
<b>CATEGORY III - EQUIPMENT DISTRIBUTION &amp; TRAINING</b>				
21 Freight-Telecomm Equip	84,742	71,141	74,314	(10,428)
22 Regional Distr Centers	932,347	936,056	987,351	55,004
23 Workshop Expense	0	0	65,000	65,000
24 Training Expense	1,000	936	2,000	1,000
<b>SUBTOTAL-CATEGORY III</b>	<b>1,018,089</b>	<b>1,008,133</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)
<b>SUBTOTAL-CATEGORY IV</b>	<b>607,200</b>	<b>607,142</b>	<b>599,800</b>	<b>(7,400)</b>
<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	(28)
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-Hlth/Life/Dsbity	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	5,782	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 - Unempimt 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
<b>SUBTOTAL-CATEGORY V</b>	<b>1,150,298</b>	<b>1,006,961</b>	<b>1,038,614</b>	<b>(111,684)</b>
<b>CATEGORY VI - NDBEDP</b>				
53 NDBEDP - Expense	458,832	217,398	468,749	9,917
<b>SUBTOTAL-CATEGORY VI</b>	<b>458,832</b>	<b>217,398</b>	<b>468,749</b>	<b>9,917</b>
<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>