



Louisiana Senate Finance Committee



FY22 Executive Budget

04-158 – Public Service Commission

March 2021

*Senator Patrick Page Cortez, President
Senator Bodi White, Chairman*



FY22 Recommended Budget

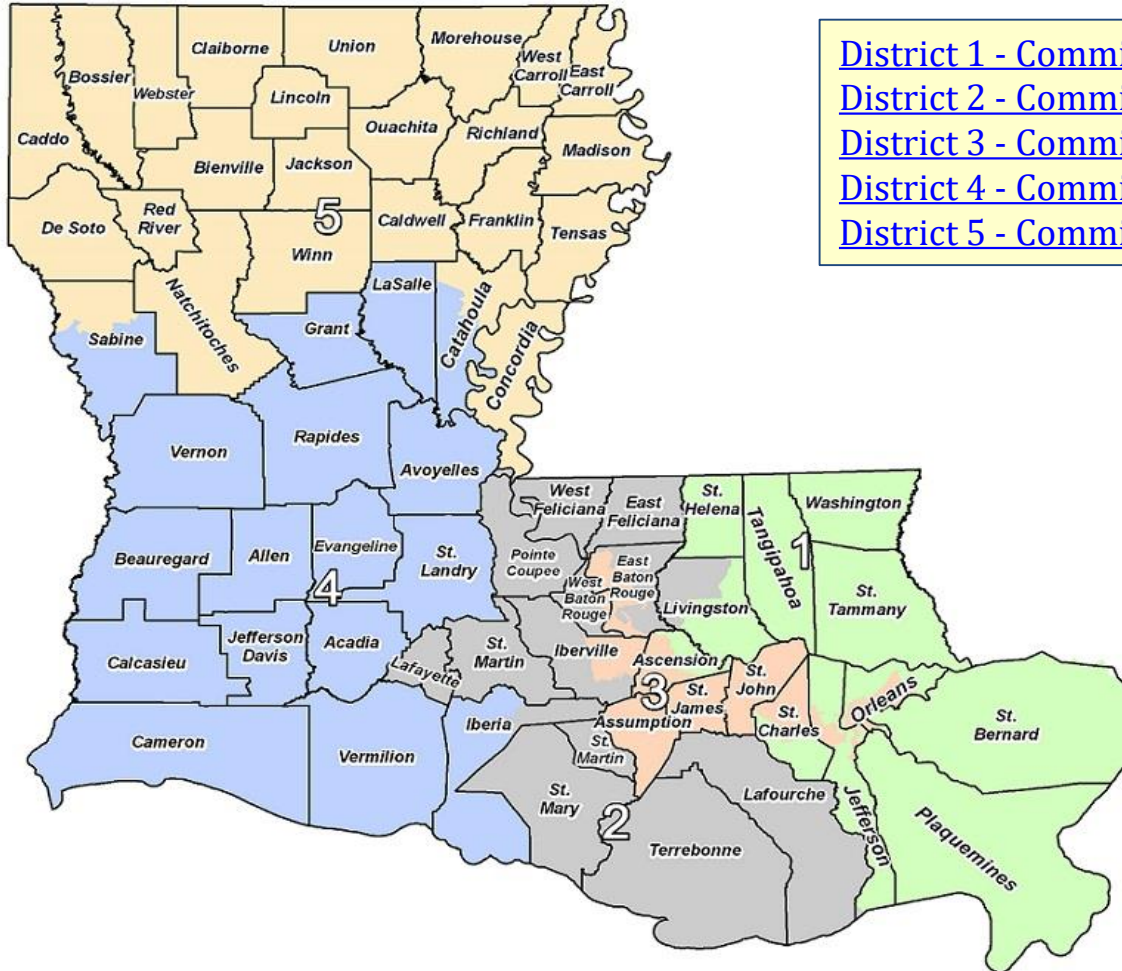
Schedule 04-158 — Public Service Commission

Departmental mission — The Public Service Commission's mission is to impartially, equitably, and efficiently regulate the rates and services of public utilities and common carriers operating in the State of Louisiana so as to ensure safe, reliable, and reasonably priced services for consumers; a fair rate of return for the regulated utilities and common carriers; and to carry out legislative mandates, such as "Do Not Call" regulations.

Agency	Program Description
Administrative	Provides executive leadership for fiscal, legal, IT, and general support functions; and provides the oversight necessary for efficient operation of the Commission resulting in achievement of the department's overall mission of regulating public utilities and common carriers.
Support Services	Reviews, analyzes, and investigates rates and charges filed before the Commission with respect to prudence and adequacy of those rates; manages the progress of adjudicatory proceedings; conducts evidentiary hearings in an impartial, fair, professional and orderly manner; and make rules and recommendations to the Commissioners which are just, and which generate the highest degree of public confidence in the Commission's integrity and fairness.
Motor Carrier Registration	Provides fair and impartial regulations of intrastate common and contract carriers offering services for hire.
District Offices	Provides accessibility and information to the public on regulation as it applies to the services provided to the consumer.



Dept. of Public Service District Offices



[District 1 - Commissioner Eric Skrmetta](#)

[District 2 - Commissioner Craig Greene](#) (Chairman)

[District 3 - Commissioner Lambert C. Boissiere, III](#)

[District 4 - Commissioner Mike Francis](#)

[District 5 - Commissioner Foster L. Campbell](#)



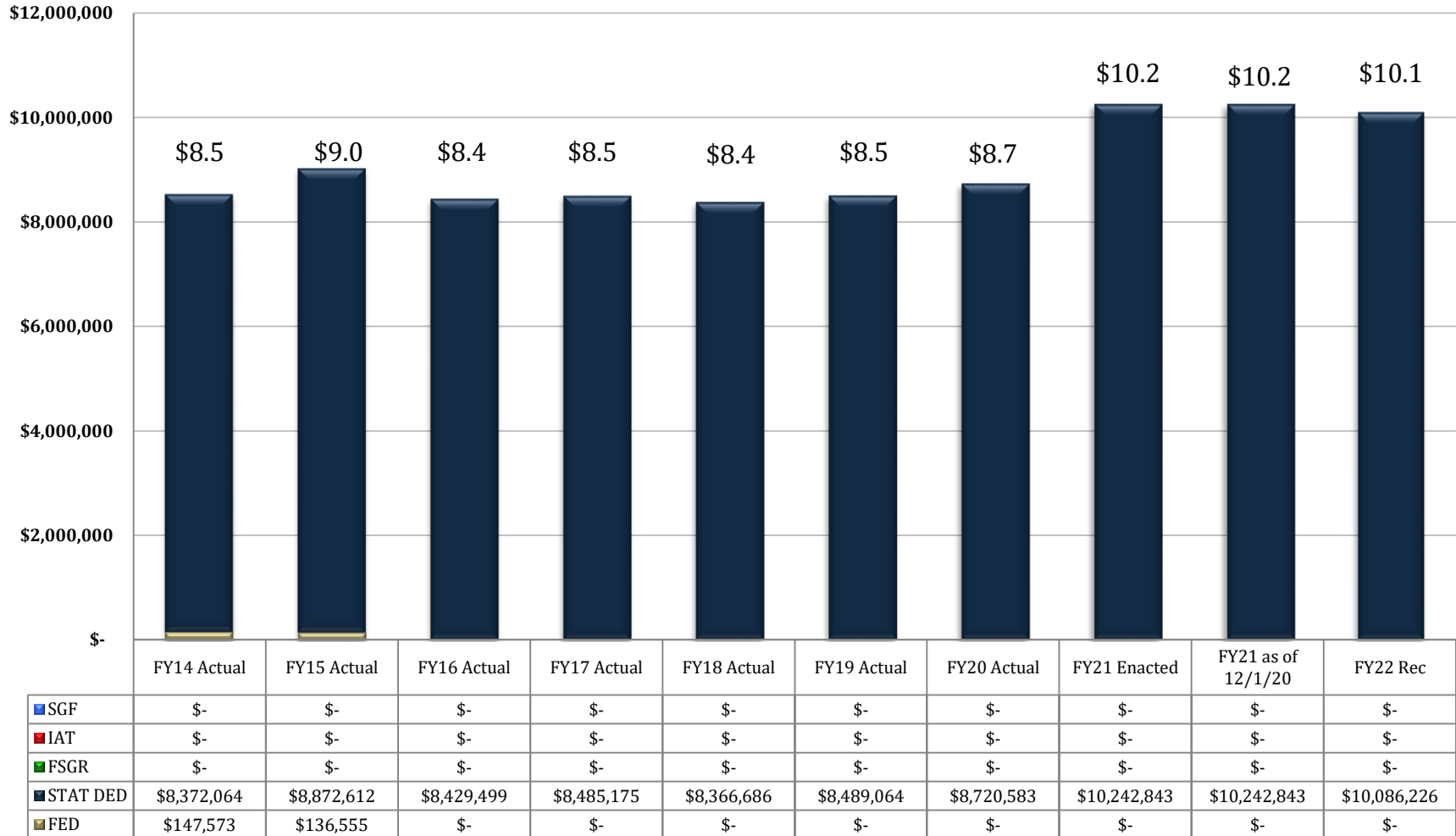


Public Service Commission

Changes in Funding since FY14

Total Budget by Fiscal Year and Means of Finance (in \$ millions)

Change from FY14 to FY22 is +18.8%.





Significant Budget Adjustments Recommended for FY22

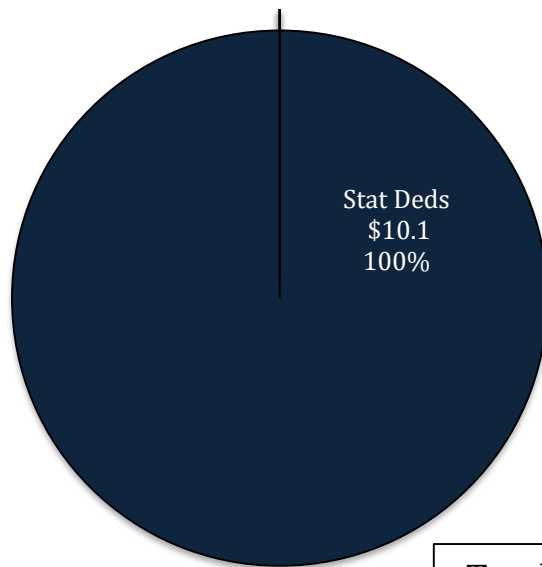
\$0	\$0	\$0	\$10,242,843	\$0	\$10,242,843	97	FY21 Existing Operating Budget as of 12-1-20
\$0	\$0	\$0	\$129,505	\$0	\$129,505	0	Market Rate Classified
\$0	\$0	\$0	\$17,577	\$0	\$17,577	0	Civil Service Training Series
\$0	\$0	\$0	\$123,508	\$0	\$123,508	0	Related Benefits Base Adjustment
\$0	\$0	\$0	(\$30,068)	\$0	(\$30,068)	0	Retirement Rate Adjustment
\$0	\$0	\$0	\$20,870	\$0	\$20,870	0	Group Insurance Rate Adjustment for Active Employees
\$0	\$0	\$0	\$12,600	\$0	\$12,600	0	Group Insurance Rate Adjustment for Retirees
\$0	\$0	\$0	\$188,759	\$0	\$188,759	0	Salary Base Adjustment
\$0	\$0	\$0	(\$111,292)	\$0	(\$111,292)	0	Attrition Adjustment
\$0	\$0	\$0	(\$136,588)	\$0	(\$136,588)	(2)	Personnel Reductions
\$0	\$0	\$0	\$72,630	\$0	\$72,630	0	Acquisitions & Major Repairs
\$0	\$0	\$0	(\$71,860)	\$0	(\$71,860)	0	Nonrecurring Acquisitions and Major Repairs
\$0	\$0	\$0	\$11,055	\$0	\$11,055	0	Risk Management
\$0	\$0	\$0	\$5,193	\$0	\$5,193	0	Legislative Auditor Fees
\$0	\$0	\$0	(\$391,848)	\$0	(\$391,848)	0	Rent in State-owned Buildings
\$0	\$0	\$0	(\$25)	\$0	(\$25)	0	Capitol Park Security
\$0	\$0	\$0	(\$32)	\$0	(\$32)	0	UPS Fees
\$0	\$0	\$0	\$1,727	\$0	\$1,727	0	Civil Service Fees
\$0	\$0	\$0	\$3,928	\$0	\$3,928	0	Office of Technology Services (OTS)
\$0	\$0	\$0	(\$2,256)	\$0	(\$2,256)	0	Office of State Procurement
\$0	\$0	\$0	(\$156,617)	\$0	(\$156,617)	(2)	Total Statewide Adjustments
\$0	\$0	\$0	\$0	\$0	\$0	0	TOTAL OTHER ADJUSTMENTS ADJUSTMENT
\$0	\$0	\$0	\$10,086,226	\$0	\$10,086,226	95	Total FY22 Recommended Budget
\$0	\$0	\$0	(\$156,617)	\$0	(\$156,617)	(2)	<i>Total Adjustments (Statewide and Agency-Specific)</i>



Public Service Commission

FY22 Recommended Means of Finance & Dedicated Funding

FY22 Recommended Total Means of Finance (In Millions)



Total \$10.1 m.

Non-SGF Sources of Funding:

Non-SGF means of finance includes only **Statutory Dedications**.

Dedications used by the department include the Telephonic Solicitation Relief Fund (S), the Utility and Carrier Inspection and Supervision Fund (S), and the Motor Carrier Regulation Fund (S). Funds are generated from inspection and supervision fees paid by common carriers, contract carriers, and public utilities. Additionally, various fees such as fines, filing fees, I.D. stamps, rehearing applications, registration fees, etc. are collected by the Public Service Commission.

Dedicated Funds	Source of Funding	FY20 Actual	FY21EOB	FY22 Recommended
Motor Carrier Regulation Fund	Fees, Fines and Penalties	\$209,800	\$220,662	\$220,662
Telephonic Solicitation Relief Fund	Fees, Fines and Penalties	\$215,722	\$239,103	\$228,620
Utility & Carrier Inspection & Supervision Fund	Fees, Fines and Penalties	\$8,295,061	\$9,783,078	\$9,636,944
TOTALS		\$8,720,583	\$10,242,843	\$10,086,226



Public Service Commission

FY20, FY21, and FY22 Comparison

04-158 Recommended Means of Financing by Agency

04-158 — Department of Public Service								
FY22 Recommended Means of Financing by Agency								
Total MOF by Agency for FY22	SGF	IAT	FSGR	Stat Deds	Federal	Total	FY21 Enacted Total	Difference FY21 Enacted to FY22 Recommended
Administrative	\$0	\$0	\$0	\$3,837,241	\$0	\$3,837,241	\$4,149,198	(\$311,957)
Support Services	\$0	\$0	\$0	\$2,549,808	\$0	\$2,549,808	\$2,478,208	\$71,600
Motor Carrier Registration	\$0	\$0	\$0	\$648,589	\$0	\$648,589	\$648,339	\$250
District Offices	\$0	\$0	\$0	\$3,050,588	\$0	\$3,050,588	\$2,967,098	\$83,490
Dept. of Public Service	\$0	\$0	\$0	\$10,086,226	\$0	\$10,086,226	\$10,242,843	(\$156,617)
FY21 Enacted Total	\$0	\$0	\$0	\$10,242,843	\$0	\$10,242,843		
<i>Difference FY21 Enacted to FY22 Recommended</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>(\$156,617)</i>	<i>\$0</i>	<i>(\$156,617)</i>		

The department's only source of revenue is statutory dedications. The decrease is due primarily to standard statewide reductions.



Dept. of Public Service Categorical Expenditures FY20, FY21, and FY22

Expenditure Category	FY20 Actual	FY21 EOB (as of 12-01-20)	FY22		Difference FY21 to FY22
			Recommended Budget	Category as Percent of Total	
Personal Services:	\$7,045,224	\$8,429,988	\$8,644,859	85.71%	\$214,871
Salaries	\$4,423,432	\$5,222,373	\$5,363,384	53.18%	\$141,011
Other Compensation	\$13,768	\$38,000	\$38,000	0.38%	\$0
Related Benefits	\$2,608,024	\$3,169,615	\$3,243,475	32.16%	\$73,860
Operating Expenses:	\$416,205	\$494,758	\$494,758	4.91%	\$0
Travel	\$35,905	\$90,868	\$90,868	0.90%	\$0
Operating Services	\$361,703	\$375,351	\$375,351	3.72%	\$0
Supplies	\$18,597	\$28,539	\$28,539	0.28%	\$0
Professional Services	\$0	\$5,000	\$5,000	0.05%	\$0
Other Charges:	\$1,142,803	\$1,241,237	\$868,979	8.62%	(\$372,258)
Other Charges	\$70,291	\$121,350	\$121,350	1.20%	\$0
Debt Service	\$0	\$0	\$0	0.00%	\$0
Interagency Transfers	\$1,072,512	\$1,119,887	\$747,629	7.41%	(\$372,258)
Acquisitions & Major Repairs:	\$116,351	\$71,860	\$72,630	0.72%	\$770
Acquisitions	\$116,351	\$71,860	\$72,630	0.72%	\$770
Major Repairs	\$0	\$0	\$0	0.00%	\$0
Total Expenditures	\$8,720,583	\$10,242,843	\$10,086,226	100.00%	(\$156,617)



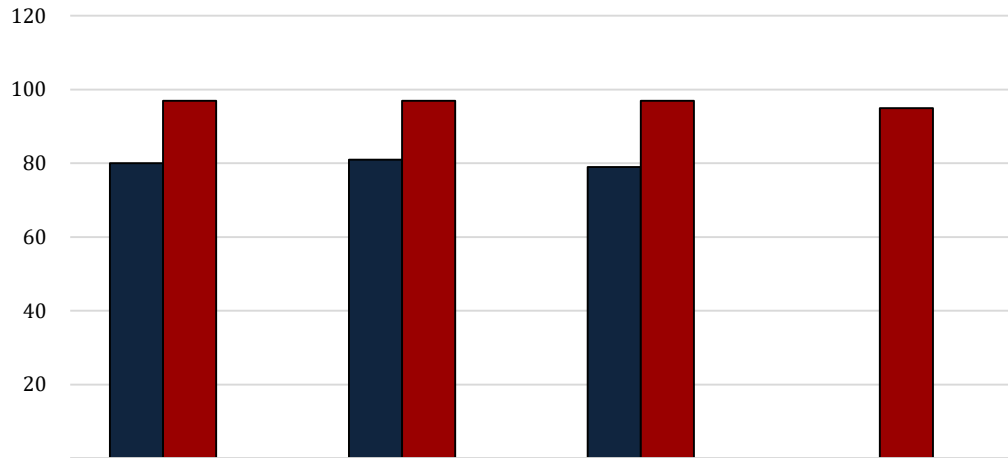
04-158 Department of Public Service

FTEs, Authorized, and Other Charges Positions and Related Employment Information

Number and Types of Positions

This Department Represents 0.3% Percent of Total State Positions of 34,081.

FY21 number of funded, but not filled, positions as of March 1 = 19



	2019	2020	2021	2022 Rec.
■ Total FTEs (1st July Report)	80	81	79	-
■ Authorized Positions	97	97	97	95
■ Other Charges Positions	-	-	-	-

* Remaining Benefits include employer contribution to authorized positions' retirement, health, Medicare, FICA, Emoluments etc. The authorized positions include authorized T.O. positions and authorized other charges positions, both filled and vacant.

Personal Services	2019 Actual	2020 Actual	2021 Enacted	2022 Recommended
Salaries	\$4,377,814	\$4,423,432	\$5,222,373	\$5,363,384
Other Compensation	\$16,402	\$13,768	\$38,000	\$38,000
Related Benefits	\$2,502,785	\$2,608,024	\$3,169,615	\$3,243,475
Total Personal Services	\$6,897,001	\$7,045,224	\$8,429,988	\$8,644,859

Examples of Other Compensation include pay for WAE employees, part-time employees, student workers, etc.

Other Charges Benefits
\$0

Related Benefits FY22 Recommended	Total Funding	%
Total Related Benefits	\$3,243,475	
UAL payments	\$1,709,733	53%
Retiree Health Benefits	\$420,000	
Remaining Benefits*	\$1,113,742	
Means of Finance	General Fund = 0%	Other = 100%

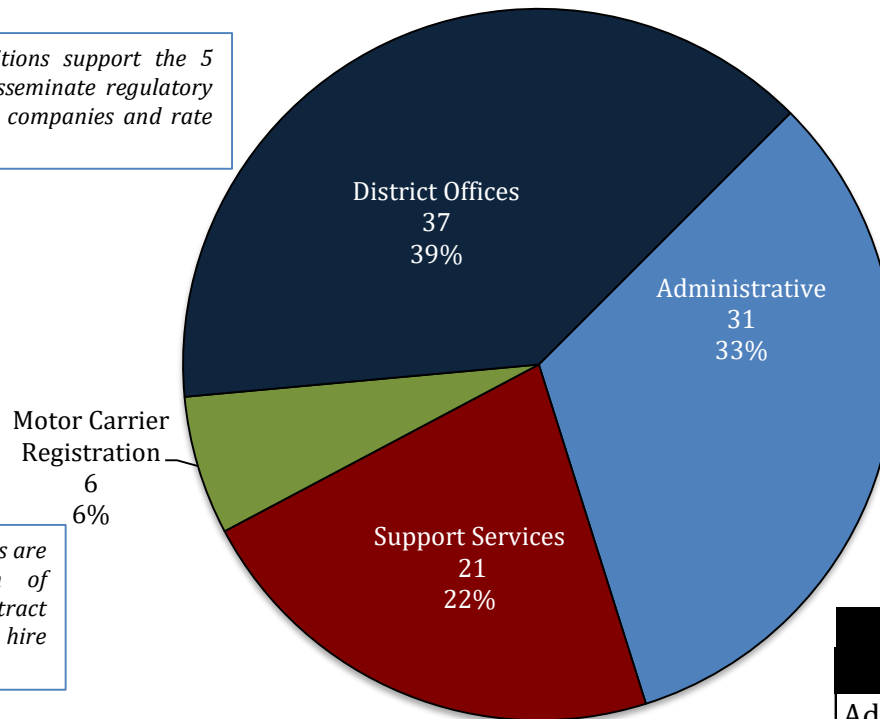
Average Salary = \$57,211



Public Service Commission

FY22 Recommended Total Authorized Positions by Agency

District Offices - These positions support the 5 elected commissioners who disseminate regulatory information to both regulated companies and rate payers.



Motor Carrier - These positions are engaged in the regulation of intrastate common and contract carriers offering services for hire within the state.

Administrative - The majority of positions are involved in management & finance and the overall operations of the department. The remaining positions include executive functions, "Do Not Call", and legal services.

Support Services - This includes positions for regulation of public utilities and common carriers. The remaining positions administer public hearings and maintain evidentiary records related to rates and services of public utilities and common carriers.

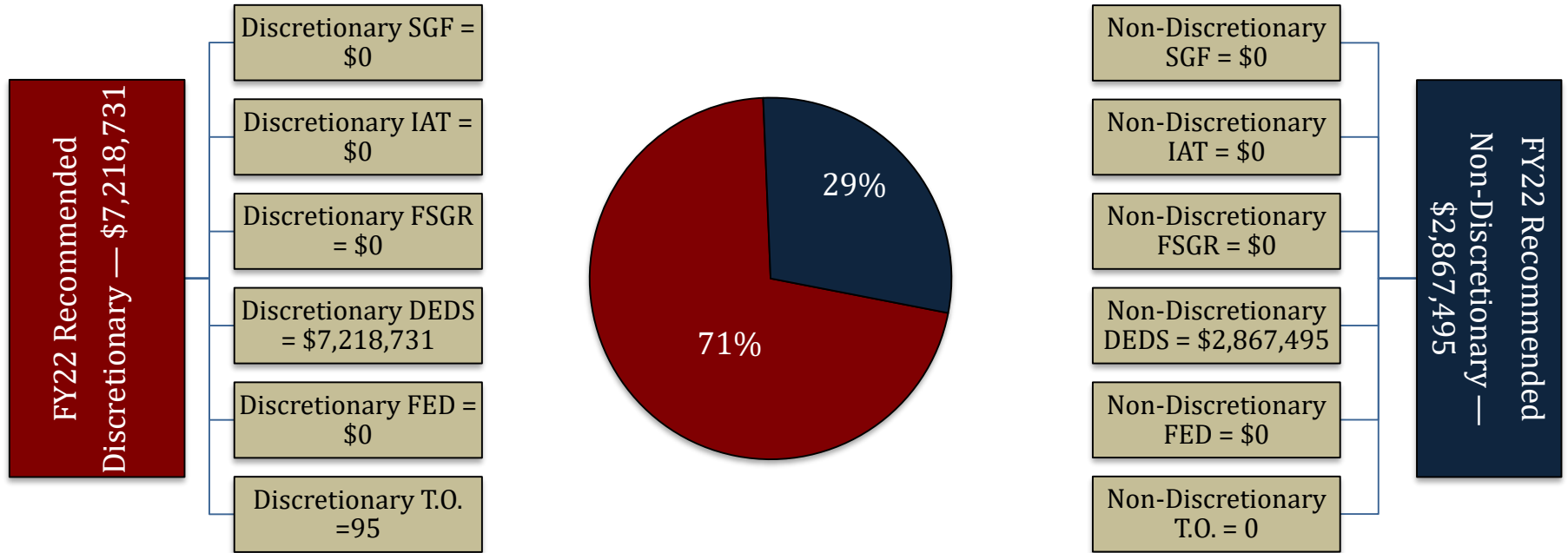
FY22 Recommended Dept. of Public Service	
Administrative	31
Support Services	21
Motor Carrier Registration	6
District Offices	37
TOTAL	95

The department experienced a reduction of 2 positions due to standard personnel reductions.



Public Service Commission

FY22 Discretionary/Non-Discretionary Comparison



Total Discretionary Funding by Office		
Administrative	\$ 2,732,358	38%
Support Services	\$ 1,824,302	25%
Motor Carrier Registration	\$ 459,239	6%
District Offices	\$ 2,202,832	31%
Total Discretionary	\$ 7,218,731	100%

Total Non-Discretionary Funding by Type		
Needed for Debt Service	\$ 405,668	14%
Constitutional Requirements	\$ 2,009,919	70%
Unavoidable Obligations	\$ 451,908	16%
Total Non-Discretionary	\$ 2,867,495	100%

Debt Service = Rent in State-owned Buildings

Constitutional Requirements = UAL contributions, Salaries and related benefits of public service commissioners.

Unavoidable Obligations = Retirees Group Insurance and Legislative Auditor Fees.



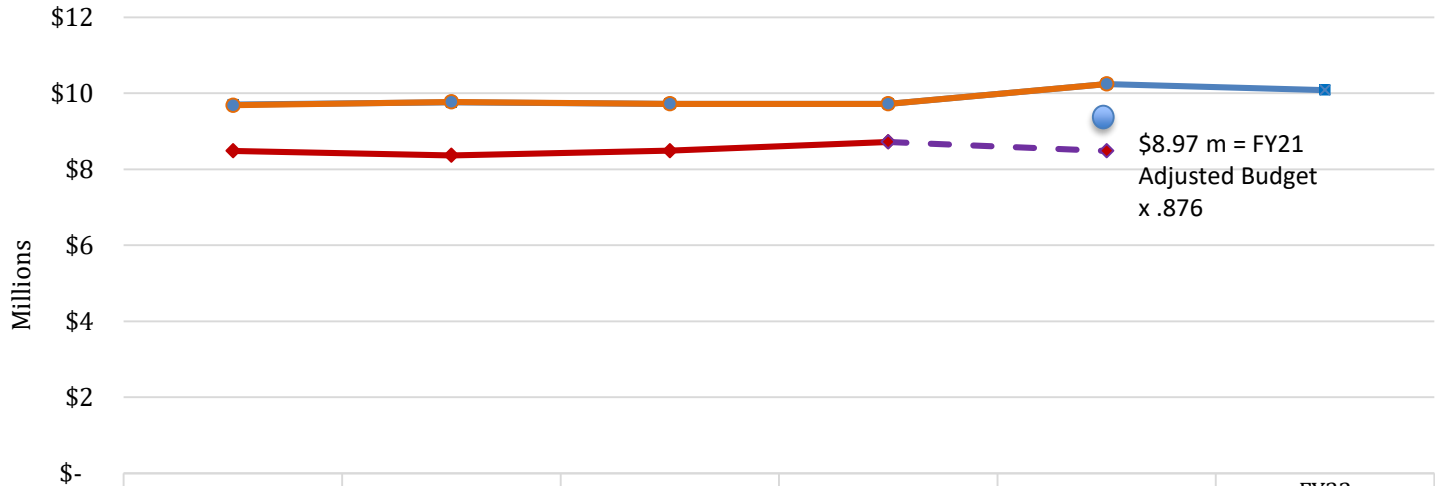
Department of Public Service

Enacted & FYE Budget vs. Actual Expenditures FY17 to FY20

FYE Budget = "Fiscal Year End" Budget includes all in-house and regular BA-7s through June 30 of the fiscal year. For FY21, it is as of February.

**FY21 Known
Supplemental Needs:
\$6.53 m**

**FY20 General Fund
Reversions:
\$0**



	FY17	FY18	FY19	FY20	FY21 thru Feb.	FY22 Recommended
Enacted Budget	\$9,699,663	\$9,764,014	\$9,722,536	\$9,722,536	\$10,242,843	\$10,086,226
FYE Budget	\$9,686,259	\$9,770,839	\$9,722,536	\$9,722,536	\$10,242,843	
Actual Expenditures	\$8,485,175	\$8,366,686	\$8,489,064	\$8,720,583		
FY21 Expenditure Trend				\$8,720,583	\$8,484,513	

Monthly Budget Activity				
	FY21 Adjusted Budget	FY21 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Jul-20	\$ 10,242,843	\$ 788,748	\$ 9,454,095	7.7%
Aug-20	\$ 10,242,843	\$ 1,668,552	\$ 8,574,291	16.3%
Sep-20	\$ 10,242,843	\$ 2,356,729	\$ 7,886,114	23.0%
Oct-20	\$ 10,242,843	\$ 3,026,407	\$ 7,216,436	29.5%
Nov-20	\$ 10,242,843	\$ 3,778,044	\$ 6,464,799	36.9%
Dec-20	\$ 10,242,843	\$ 4,696,585	\$ 5,546,258	45.9%
Jan-21	\$ 10,242,843	\$ 5,358,776	\$ 4,884,067	52.3%

Monthly Budget Activity				
	FY21 Adjusted Budget	FY21 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Feb-21	\$ 10,242,843	\$ 6,014,065	\$ 4,228,778	58.7%
<i>(Trend based on average monthly expenditures to date)</i>				
Mar-21	\$ 10,242,843	\$ 6,631,677	\$ 3,611,166	64.7%
Apr-21	\$ 10,242,843	\$ 7,249,289	\$ 2,993,554	70.8%
May-21	\$ 10,242,843	\$ 7,866,901	\$ 2,375,942	76.8%
Jun-21	\$ 10,242,843	\$ 8,484,513	\$ 1,758,330	82.8%

Historical Year End Average

87.6%



Public Service Commission

Significant Points of Interest for FY22

FY22 Significant Points of Interest:

- **BUDGET CHANGES:** The department received only standard statewide adjustments for FY22. This resulted in an overall decrease for FY22 of \$156,617 and reduction of 2 positions.
- **REFUNDING:** In FY22, through the Funds Bill, the department is recommended for a refunding of statutorily dedicated monies that were swept out of its funds in prior years. The Commission had filed a suit challenging a series of sweeps from the Commission's three funds (Utility and Carrier Inspection & Supervision Fund - \$7,365,837 , Motor Carrier Regulation Fund - \$508,449 , and Telephonic Solicitation Relief Fund - \$658,274) that occurred over a number of years. In total, approximately \$8.5 million was swept. In the litigation, the Commission alleged that the actions of the legislature were unconstitutional. After several years, the court ruled in favor of the Commission in early 2018, finding that the sweeping of the Commission's funds was unconstitutional. The matter was initially appealed to the Louisiana Supreme Court, but ultimately withdrawn, making the judgment final in the summer of 2018.
 - In 2019, in the first session following the final ruling, \$2 million of the previously swept funds was repaid in Act 362. These funds were transferred into the Utility & Carrier Inspection & Supervision Fund
 - For FY22, the administration has recommended refunding \$6.53 million. These monies would be transferred into the department's dedicated funds in the following approximate amounts:
 - Motor Carrier Regulation Fund - \$508,000
 - Telephonic Solicitation Relief Fund - \$658,000
 - Utility & Carrier Inspection & Supervision Fund - \$5.4 million.
- **AUDIT FINDINGS:**
 - Public Service Commission - September 23, 2020
The department did not have adequate controls in place to ensure time sheets at the district offices were certified by employees and approved by supervisors before payroll disbursement.