MEASURE NUMBER: HB 2252

STATUS: Original

SUBJECT: Extends the sunset for the Residential Service Protection Fund; changes eligibility for adaptive equipment and assistive telecommunication devices; and removes the requirement that low income customers of telecommunications public utilities residing in long-term care facilities not exceed 135% of the federal poverty guidelines.

GOVERNMENT UNIT AFFECTED: Public Utility Commission

PREPARED BY: Robin LaMonte **REVIEWED BY:** Michelle Deister **DATE:** February 9, 2009

		<u>2009-2011</u>		<u>2011-2013</u>
EXPENDITURES: Extends Sunset on Residential Service Protection Fund	See Comments			
Telecommunication Devices Eligibility – Other Funds		167,500		167,500
Extend Eligibility of Oregon Telephone Assistance Program	\$	86,048	\$	86,048
Total – Other Funds	\$	253,548	\$	253,548
REVENUES: Extends Sunset on Residential Service Protection Fund	See Comments			
POSITIONS / FTE:	See Comments			

EFFECTIVE DATE: On Passage; extends sunset from January 1, 2010 to January 1, 2020

GOVERNOR'S BUDGET: This bill is anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: HB 2252 extends the sunset on the Residential Service Protection Fund (RSPF) from January 1, 2010 to January 1, 2020. There are 7 positions (6.50 FTE) associated with this program, at a biennial cost of \$9,393,427. The program ensures that residential telephone service is available to all Oregonians, and includes programs that provide access to assistive telephone devices; telecommunications relay services; and emergency medical certifications to protect eligible persons from the disconnection of medically needed telephone services. RSPF is funded with a surcharge on telephone subscribers, and provides assistance to low-income customers. The extension of the sunset does not create a new cost or generate new revenue, but does extend existing revenue and costs.

HB 2252 revises current law to expand access to adaptive equipment for eligible hearing and speech impaired Oregonians. The program is funded with a surcharge on telephone subscribers. The program loans specialized telephone equipment to eligible persons. The bill changes the definition of eligible persons from "severely" hearing and speech impaired to "hard of hearing" and "speech impaired". The PUC estimates that the expanded access will ensure that 2,500 additional individuals will be eligible for the equipment, at a biennial cost of \$167,500, which will be funded through an increase in the surcharge.

HB 2252 also expands the Oregon Telephone Assistance Program to Medicaid-eligible subscribers in long-term care facilities whose incomes exceed 135% of the federal poverty level. The program assists low-income individuals with the cost of telephone service, and is funded with a surcharge on telephone subscribers. The PUC notes that the income of Medicaid-covered subscribers in long-term care facilities is used to pay basic living expenses, with only a small stipend available for other essentials such as clothing and toiletries. This change ensures that these persons have access to telephone services. The PUC estimates that the change would add 980 individuals to the program at a biennial cost of \$86,048, which will be funded through an increase in the surcharge.