

## Legislative Fiscal Office

Oregon State Capitol  
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## Joint Committee on Ways and Means

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**To:** Members of the Ways and Means Transportation and Economic  
Development Subcommittee

**From:** Ben Ruef, Legislative Fiscal Office

**Date:** May 17, 2021

**Subject:** HB 5032 - Oregon Public Utility Commission  
Work Session Recommendations

### Public Utility Commission - Agency Totals

	2017-19 Actual	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 LFO Recommended
Other Funds	40,169,387	54,803,877	55,492,607	56,922,877
Other Funds (NL)	61,898,461	54,312,163	45,945,047	45,945,047
Federal Funds	686,647	1,074,677	1,180,926	1,180,926
<b>Total Funds</b>	<b>102,754,495</b>	<b>110,190,717</b>	<b>102,618,580</b>	<b>104,048,850</b>
Positions	124	130	129	129
FTE	122.63	127.75	128.00	128.00

The Legislative Fiscal Office recommends a 2021-23 total funds budget of \$104,048,850 and 129 positions (128.00 FTE) for the Oregon Public Utility Commission. The recommended budget is a 5.57% decrease from the legislatively approved budget for the 2019-21 biennium and a 13.94% increase from the current service level.

The decrease from the legislatively approved budget is due to an adjustment to anticipated Other Funds Nonlimited (Oregon Universal Service Fund) revenue and expenditures. The Oregon Universal Service Fund surcharge is collected by the PUC and distributed to eligible telecommunication carriers in parts of Oregon where providing telephone service is costly is generating less revenue due to the decline in landlines or wireline revenue. As these are pass-through funds, PUC's revenue and expenditures are declining but with no impact on PUC operations. The increase from current service level is due to the following two recommended budget increases to other funds.

- Package 090: Increase Other Funds \$321,972 for ongoing costs for the e-filing/e-discovery IT project.
- Policy Option Package 101: Increase Other Funds \$1.2 million for increasing the Oregon Telephone Assistance Program (OTAP) discount from \$3.50 to \$10.00 for eligible low-income households that subscribe to phone or broadband internet access service.

The recommended budget anticipates an ending balance equivalent to over 3.5 months of operating expenditures, including special payments and excluding the Oregon Universal Service Fund.

**Adjustments to Current Service Level**

See attached “Work Session Presentation Report.”

Note: Statewide adjustments are not included in these recommendations. Any needed adjustments will be made in an omnibus bill at the end of session.

**Performance Measures**

See attached “Legislatively Proposed 2021-23 Key Performance Measures.”

**Recommended Changes**

LFO recommends a budget of \$56,922,877 Other Funds, \$1,180,926 Federal Funds, \$45,945,047 Nonlimited Other Funds, and 129 positions (128.00 FTE), which is reflected in the -1 amendment.

**Final Subcommittee Action**

LFO recommends that HB 5032, as amended by the -1 amendment, be moved to the Ways and Means Full Committee.

**Carriers**

Full Committee: \_\_\_\_\_

House Floor: \_\_\_\_\_

Senate Floor: \_\_\_\_\_

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2019-21 Agy. Leg. Adopted</b>	-	-	49,252,175	1,025,117	54,312,163	-	104,589,455	130	127.75
2019-21 Ebds, SS & Admin Act	-	-	5,551,702	49,560	-	-	5,601,262	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2019-21 Leg Approved Budget</b>	-	-	54,803,877	1,074,677	54,312,163	-	110,190,717	130	127.75
<b>2019-21 Leg Approved Budget (Base)</b>	-	-	49,252,175	1,025,117	54,312,163	-	104,589,455	130	127.75
Summary of Base Adjustments	-	-	4,034,596	123,153	(8,367,116)	-	(4,209,367)	(1)	0.25
<b>2021-23 Base Budget</b>	-	-	53,286,771	1,148,270	45,945,047	-	100,380,088	129	128.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	594,442	26,651	-	-	621,093	-	-
030: Inflation & Price List Adjustments	-	-	1,599,684	6,005	-	-	1,605,689	-	-
060: Technical Adjustments	-	-	11,710	-	-	-	11,710	-	-
<b>2021-23 Current Service Level</b>	-	-	55,492,607	1,180,926	45,945,047	-	102,618,580	129	128.00
<b>Adjusted 2021-23 Current Service Level</b>	-	-	55,492,607	1,180,926	45,945,047	-	102,618,580	129	128.00
<b>Total LFO Recommended Packages</b>	-	-	1,430,270	-	-	-	1,430,270	-	-
<b>2021-23 Legislative Actions</b>	-	-	56,922,877	1,180,926	45,945,047	-	104,048,850	129	128.00
Net change from 2019-21 Leg Approved Budget	-	-	2,119,000	106,249	(8,367,116)	-	(6,141,867)	(1)	0.25
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	3.9%	9.9%	(15.4%)	0.0%	(5.6%)	(0.8%)	0.2%
Net change from 2021-23 Adj Current Service Level	-	-	1,430,270	-	-	-	1,430,270	-	-
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	2.6%	0.0%	0.0%	0.0%	1.4%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2019-21 Agy. Leg. Adopted</b>	-	-	<b>21,079,936</b>	<b>1,025,117</b>	<b>54,312,163</b>	-	<b>76,417,216</b>	<b>67</b>	<b>65.50</b>
2019-21 Ebds, SS & Admin Act	-	-	780,605	49,560	-	-	830,165	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2019-21 Leg Approved Budget</b>	-	-	<b>21,860,541</b>	<b>1,074,677</b>	<b>54,312,163</b>	-	<b>77,247,381</b>	<b>67</b>	<b>65.50</b>
<b>2019-21 Leg Approved Budget (Base)</b>	-	-	<b>21,079,936</b>	<b>1,025,117</b>	<b>54,312,163</b>	-	<b>76,417,216</b>	<b>67</b>	<b>65.50</b>
Summary of Base Adjustments	-	-	10,791,335	123,153	(8,367,116)	-	2,547,372	30	31.00
<b>2021-23 Base Budget</b>	-	-	<b>31,871,271</b>	<b>1,148,270</b>	<b>45,945,047</b>	-	<b>78,964,588</b>	<b>97</b>	<b>96.50</b>
010: Non-PICS Pers Svc/Vacancy Factor	-	-	725,396	26,651	-	-	752,047	-	-
030: Inflation & Price List Adjustments	-	-	636,039	6,005	-	-	642,044	-	-
060: Technical Adjustments	-	-	1,326,366	-	-	-	1,326,366	-	-
<b>2021-23 Current Service Level</b>	-	-	<b>34,559,072</b>	<b>1,180,926</b>	<b>45,945,047</b>	-	<b>81,685,045</b>	<b>97</b>	<b>96.50</b>
<b>Adjusted 2021-23 Current Service Level</b>	-	-	<b>34,559,072</b>	<b>1,180,926</b>	<b>45,945,047</b>	-	<b>81,685,045</b>	<b>97</b>	<b>96.50</b>
<b>Total LFO Recommended Packages</b>	-	-	-	-	-	-	-	-	-
<b>2021-23 Legislative Actions</b>	-	-	<b>34,559,072</b>	<b>1,180,926</b>	<b>45,945,047</b>	-	<b>81,685,045</b>	<b>97</b>	<b>96.50</b>
Net change from 2019-21 Leg Approved Budget	-	-	12,698,531	106,249	(8,367,116)	-	4,437,664	30	31.00
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	58.1%	9.9%	(15.4%)	0.0%	5.7%	44.8%	47.3%
Net change from 2021-23 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2019-21 Agy. Leg. Adopted</b>	-	-	<b>10,069,311</b>	-	-	-	<b>10,069,311</b>	<b>8</b>	<b>7.50</b>
2019-21 Ebds, SS & Admin Act	-	-	3,565,122	-	-	-	3,565,122	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2019-21 Leg Approved Budget</b>	-	-	<b>13,634,433</b>	-	-	-	<b>13,634,433</b>	<b>8</b>	<b>7.50</b>
<b>2019-21 Leg Approved Budget (Base)</b>	-	-	<b>10,069,311</b>	-	-	-	<b>10,069,311</b>	<b>8</b>	<b>7.50</b>
Summary of Base Adjustments	-	-	159,889	-	-	-	159,889	-	-
<b>2021-23 Base Budget</b>	-	-	<b>10,229,200</b>	-	-	-	<b>10,229,200</b>	<b>8</b>	<b>7.50</b>
010: Non-PICS Pers Svc/Vacancy Factor	-	-	9,276	-	-	-	9,276	-	-
030: Inflation & Price List Adjustments	-	-	453,964	-	-	-	453,964	-	-
<b>2021-23 Current Service Level</b>	-	-	<b>10,692,440</b>	-	-	-	<b>10,692,440</b>	<b>8</b>	<b>7.50</b>
<b>Adjusted 2021-23 Current Service Level</b>	-	-	<b>10,692,440</b>	-	-	-	<b>10,692,440</b>	<b>8</b>	<b>7.50</b>
<b>Total LFO Recommended Packages</b>	-	-	<b>1,200,000</b>	-	-	-	<b>1,200,000</b>	-	-
<b>2021-23 Legislative Actions</b>	-	-	<b>11,892,440</b>	-	-	-	<b>11,892,440</b>	<b>8</b>	<b>7.50</b>
Net change from 2019-21 Leg Approved Budget	-	-	(1,741,993)	-	-	-	(1,741,993)	-	-
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	(12.8%)	0.0%	0.0%	0.0%	(12.8%)	0.0%	0.0%
Net change from 2021-23 Adj Current Service Level	-	-	1,200,000	-	-	-	1,200,000	-	-
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	11.2%	0.0%	0.0%	0.0%	11.2%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 101 OTAP Discount Adjustment**

Package Description This package increases the Oregon Telephone Assistance Program (OTAP) discount from \$3.50 to \$10.00 for eligible low-income households that subscribe to phone or broadband internet access service.

LFO Recommendation

LFO Recommended	-	-	1,200,000	-	-	-	1,200,000	-	-
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LFO102 - Work Session Presentation Report  
2021-23 BienniumVersion: L - 01 - LFO Analyst Recommended  
Cross Reference: 86000-004-00-00-00000  
Administration

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2019-21 Agy. Leg. Adopted</b>	-	-	<b>17,301,193</b>	-	-	-	<b>17,301,193</b>	<b>53</b>	<b>52.75</b>
2019-21 Ebds, SS & Admin Act	-	-	1,176,658	-	-	-	1,176,658	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2019-21 Leg Approved Budget</b>	-	-	<b>18,477,851</b>	-	-	-	<b>18,477,851</b>	<b>53</b>	<b>52.75</b>
<b>2019-21 Leg Approved Budget (Base)</b>	-	-	<b>17,301,193</b>	-	-	-	<b>17,301,193</b>	<b>53</b>	<b>52.75</b>
Summary of Base Adjustments	-	-	(6,982,145)	-	-	-	(6,982,145)	(31)	(30.75)
<b>2021-23 Base Budget</b>	-	-	<b>10,319,048</b>	-	-	-	<b>10,319,048</b>	<b>22</b>	<b>22.00</b>
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(144,264)	-	-	-	(144,264)	-	-
030: Inflation & Price List Adjustments	-	-	486,998	-	-	-	486,998	-	-
060: Technical Adjustments	-	-	(1,314,656)	-	-	-	(1,314,656)	-	-
<b>2021-23 Current Service Level</b>	-	-	<b>9,347,126</b>	-	-	-	<b>9,347,126</b>	<b>22</b>	<b>22.00</b>
<b>Adjusted 2021-23 Current Service Level</b>	-	-	<b>9,347,126</b>	-	-	-	<b>9,347,126</b>	<b>22</b>	<b>22.00</b>
<b>Total LFO Recommended Packages</b>	-	-	<b>230,270</b>	-	-	-	<b>230,270</b>	-	-
<b>2021-23 Legislative Actions</b>	-	-	<b>9,577,396</b>	-	-	-	<b>9,577,396</b>	<b>22</b>	<b>22.00</b>
Net change from 2019-21 Leg Approved Budget	-	-	(8,900,455)	-	-	-	(8,900,455)	(31)	(30.75)
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	(48.2%)	0.0%	0.0%	0.0%	(48.2%)	(58.5%)	(58.3%)
Net change from 2021-23 Adj Current Service Level	-	-	230,270	-	-	-	230,270	-	-
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	2.5%	0.0%	0.0%	0.0%	2.5%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 090 Analyst Adjustments**

Package Description This package is for ongoing costs for the e-filing/e-discovery IT project. The 2021-23 budget is set at \$321,972, which equals the cost of two years of ongoing costs set at \$116,370 per year plus an additional amount of \$73,900 to cover the project’s Pilot Phase, Go-Live, and Post Go-Live Support that will likely not be completed during the 2019-2021 Biennium; and a 5% contingency due to uncertainty about certain licensing costs including login limits.

LFO Recommendation

LFO Recommended	-	-	321,972	-	-	-	321,972	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 099 Microsoft 365 Consolidation**

Package Description Microsoft 365 Consolidation: Microsoft 365 is being consolidated within the Office of the State Information Officer at the E5 level of service. This cost is built into the State Government Service Charge for every agency as a cost increase for the 21-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service

LFO Recommendation

<b>LFO Recommended</b>	-	-	(91,702)	-	-	-	(91,702)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2019-21 Agy. Leg. Adopted</b>	-	-	<b>801,735</b>	-	-	-	<b>801,735</b>	<b>2</b>	<b>2.00</b>
2019-21 Ebds, SS & Admin Act	-	-	29,317	-	-	-	29,317	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2019-21 Leg Approved Budget</b>	-	-	<b>831,052</b>	-	-	-	<b>831,052</b>	<b>2</b>	<b>2.00</b>
<b>2019-21 Leg Approved Budget (Base)</b>	-	-	<b>801,735</b>	-	-	-	<b>801,735</b>	<b>2</b>	<b>2.00</b>
Summary of Base Adjustments	-	-	65,517	-	-	-	65,517	-	-
<b>2021-23 Base Budget</b>	-	-	<b>867,252</b>	-	-	-	<b>867,252</b>	<b>2</b>	<b>2.00</b>
010: Non-PICS Pers Svc/Vacancy Factor	-	-	4,034	-	-	-	4,034	-	-
030: Inflation & Price List Adjustments	-	-	22,683	-	-	-	22,683	-	-
<b>2021-23 Current Service Level</b>	-	-	<b>893,969</b>	-	-	-	<b>893,969</b>	<b>2</b>	<b>2.00</b>
<b>Adjusted 2021-23 Current Service Level</b>	-	-	<b>893,969</b>	-	-	-	<b>893,969</b>	<b>2</b>	<b>2.00</b>
<b>Total LFO Recommended Packages</b>	-	-	-	-	-	-	-	-	-
<b>2021-23 Legislative Actions</b>	-	-	<b>893,969</b>	-	-	-	<b>893,969</b>	<b>2</b>	<b>2.00</b>
Net change from 2019-21 Leg Approved Budget	-	-	62,917	-	-	-	62,917	-	-
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	7.6%	0.0%	0.0%	0.0%	7.6%	0.0%	0.0%
Net change from 2021-23 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

# Legislatively Proposed 2021 - 2023 Key Performance Measures

Published: 5/14/2021 2:55:43 PM

**Agency:** Public Utility Commission

**Mission Statement:**

To ensure Oregon utility customers have access to safe, reliable, and high-quality utility services at just and reasonable rates. We do so through robust and thorough analysis and independent decision-making conducted in an open and fair process.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
1. Water Utilities - Percentage of rate regulated water companies with rate designs promoting efficient use of water resources.		Approved	94%	97%	94%
2. Price of Electricity - Average price of electricity for residential users from Oregon Investor Owned Utilities as a percent of the national average price.		Approved	90%	92%	92%
3. Electric Energy - Percentage of business customers' electric energy usage supplied by alternative suppliers.		Approved	13%	11%	13%
4. Electric Utility Operations - Effectiveness of staff audits in preventing injuries caused by electric utility operations per 100,000 utility customers.		Approved	0.10	0.11	0.11
5. Unsafe Acts - Effectiveness of Utility and PUC promoted education in preventing injuries from unsafe acts per 100,000 utility customers.		Approved	0.21	0.45	0.45
6. Natural Gas Operations - Personal injuries related to Natural Gas Operations per 100,000 utility customers.		Approved	0	0	0
7. Switched Access Lines - Percent of total switched access lines provided by competitive local exchange carriers, statewide.		Approved	61%	58%	61.60%
8. Evidentiary Record - Percent of Consumer Complaint Orders issued within 30 days of close of evidentiary record.		Approved	100%	100%	100%
9. Oregon Telephone Assistance Program - Percentage of Supplemental Nutrition Assistance Program (SNAP) recipients participating in the Oregon Telephone Assistance Program.		Approved	13%	21%	26%
10. Access to Telephone Services - Percentage of disabled senior citizens (65 years and older) with access to the Telecommunications Devices Access Program.		Approved	70%	72%	73%
11. Complaint Investigation - Percent of complaint investigation cases open 50 days or less.		Approved	87%	75%	85%
12. Customer Service - Percent of customers rating their satisfaction with the agency's customer service as good or excellent in overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved	79%	85%	80%
	Availability of Information		69%	75%	75%
	Overall		76%	82%	80%
	Accuracy		75%	80%	80%
	Expertise		80%	83%	80%
	Timeliness		79%	85%	80%
13. Best Practices - Percent of total best practices met by the Board of Maritime Pilots.		Approved	91%	100%	100%

Legislatively Proposed KPMS	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
14. Vessel Incidents - The number and severity of incidents involving vessels under the direction of licensees, and as a percentage of total vessels piloted annually.		Approved	2	4	4
15a. Met performance measures in OPUC's annual grant agreement. - Met 12 of 13 established internal performance measures		Approved	100%	100%	100%
15b. Obtained an unmodified financial audit annually - Obtaining an annual unqualified financial audit.		Approved	1	1	1
15c. Keep administrative costs below 8% of annual revenue. - Keep administrative and programs support costs below 8 percent of annual revenue.		Approved	6.24%	7.99%	7.99%
15d. Annually report the total resource cost of conservation programs and maintain a score above 1 for each program. - Reporting the benefit/cost ratio for conservation programs based on utility system societal perspective.		Approved	1	1	1
15e. Report quarterly expenditures and variances by program, and total quarterly progress to annual goals for energy efficiency savings and renewable generation in the Q1, Q2, Q3 and Q4 reports. - Reporting significant mid-year changes to benefit/cost performance as necessary in quarterly reports.		Approved	1	1	1

**LFO Recommendation:**

Approve the 2021-23 Key Performance Measures.

**SubCommittee Action:**