

AGENCY NAME:	Public Service Commission of South Carolina		
AGENCY CODE:	R040	SECTION:	72



Fiscal Year 2017-18 Agency Budget Plan

FORM A – SUMMARY

RECURRING FUNDS (FORM B DECISION PACKAGES)	My agency is submitting the following recurring decision packages listed in <u>priority order</u> (Form B): 10555, 10440, and 10453	
	For FY 2017-18, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting a net increase in recurring General Fund appropriations.
	<input checked="" type="checkbox"/>	Not requesting a net increase in recurring General Fund Appropriations.

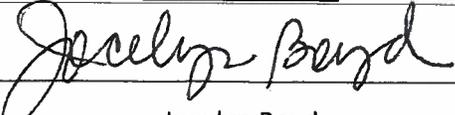
CAPITAL & NON-RECURRING FUNDS (FORM C DECISION PACKAGES)	My agency is submitting the following one-time decision packages listed in <u>priority order</u> (Form C):	
	For FY 2017-18, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting capital and/or non-recurring funds.
	<input checked="" type="checkbox"/>	Not requesting capital and/or non-recurring funds.

PROVISOS (FORM D)	For FY 2017-18, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input checked="" type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Patty Shultz	803-896-5121	Patty.shultz@psc.sc.gov
SECONDARY CONTACT:	Jocelyn Boyd	803-896-5114	Jocelyn.boyd@psc.sc.gov

I have reviewed and approved the enclosed FY 2017-18 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:		
TYPE/PRINT NAME:	Jocelyn Boyd	

This form must be signed by the department head – not a delegate.

AGENCY NAME:	Public Service Commission		
AGENCY CODE:	R040	SECTION:	72

FORM B – PROGRAM REVISION REQUEST (FY18)

DECISION PACKAGE	10555
-------------------------	--------------

Provide the decision package number issued by the PBF system (“Governor’s Request”).

TITLE	Employer Contributions – Employee Benefits
--------------	---

Provide a brief, descriptive title for this request.

AMOUNT	\$79,000
---------------	-----------------

What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package’s total in PBF across all funding sources.

ENABLING AUTHORITY	<p>Statutory Authority - Title 58 of the South Carolina Code of Laws</p> <p>There has not been a revision to the statutory authority.</p>
---------------------------	---

What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	<p>The Commission’s employees will be the indirect recipients of the funds in the form of fringe benefits, with the funds being directed to cover increases in employer premiums for health and dental insurance, increases in employer contributions for the state retirement system, increases in workers’ compensation premiums and other adjustments due to salary changes. The Commission has 39 full-time equivalents.</p>
----------------------------	--

AGENCY NAME:	Public Service Commission		
AGENCY CODE:	R040	SECTION:	72

	These funds will be allocated using a predetermined eligibility criterion.
--	--

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

ACCOUNTABILITY OF FUNDS	These funds will be used to provide employee benefits and to meet the mandated insurance requirements for state agencies.
--------------------------------	---

What specific agency objective, as outlined in the agency’s accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	None
--------------------------	------

For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	None
-----------------------	------

Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	No other funding sources were considered. The only available source of funding is the Commission’s Carry Forward funds. We are requesting this as the sole source.
-----------------------------	--

What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

AGENCY NAME:	Public Service Commission		
AGENCY CODE:	R040	SECTION:	72

SUMMARY	<p>The Commission is requesting an additional increase of \$79,000 from its Carry Forward fund request of FY2016-17 to meet its increases in employer contributions to the state retirement system, worker’s compensation insurance premiums, health and dental insurance premiums, and other adjustments due to salary changes.</p> <p>The Commission is an Other Funded agency, whose revenue is derived from assessments to public utilities operating within the state (electric, gas, water, sewer, telecommunications and transportation.) The Commission’s base budget has remained unchanged since 2004 with no additional revenue, and at times, the Commission has experienced shortfalls in revenue from these assessments.</p> <p>The use of the Carry Forward funds will allow the Commission to continue to maintain its level of service to its customers and stakeholders, while providing for its employees.</p>
----------------	---

Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency’s security or technology plan.

METHOD OF CALCULATION	<p>The Commission calculated the cost of employee benefits based on the FY 2017-2018 Employer Contributions Rate Table provided by the Executive Budget Office. The Commission also included an additional increase to its employer contributions to the state retirement system for FY 2017-2018 based on information published on the PEBA website and other publications.</p> <p>The Rate Table is an estimate of the anticipated rates for social security, the state retirement system, health and dental insurance, life insurance, workers’ compensation insurance, unemployment compensation insurance, and disability insurance. Should these rates be underestimated for actual FY 2017-2018 costs, the Commission will be forced to divert funding from other programs in order to meet its obligations.</p>
------------------------------	---

How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>The state will not incur any maintenance-of-effort or other obligations by adopting this decision package. The Commission is an Other Funded agency, whose revenue is derived from assessments to public utilities operating within the state.</p> <p>The increases to employer contributions are federally and state mandated and must be fulfilled.</p> <p>The Commission’s base budget has remained unchanged since 2004 with no additional revenue, causing the Commission to rely solely on Carry Forward funds to maintain its level of service. Over the years, the Commission has absorbed state mandated increases (cost of living, employer contributions, etc.) without increases to its base budget, but</p>
----------------------	---

AGENCY NAME:	Public Service Commission		
AGENCY CODE:	R040	SECTION:	72

anticipates requesting an increase to its base budget in the future.

The only available source of funding is the Commission’s Carry Forward funds. We are requesting this as the sole source.

Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

PRIORITIZATION

The Commission is requesting use of its Carry Forward funds in order to meet this need. The increases to employer contributions are federally and state mandated and must be fulfilled.

If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT

The increases to employer contributions are federally and state mandated and must be fulfilled. The use of the Carry Forward funds will allow the Commission to continue to maintain its level of service to its customers and stakeholders, while providing for its employees.

What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION

Not applicable.

How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

AGENCY NAME:	Public Service Commission		
AGENCY CODE:	R040	SECTION:	72

FORM B – PROGRAM REVISION REQUEST (FY18)

DECISION PACKAGE	10440
-------------------------	--------------

Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Administration - Other Operating
--------------	---

Provide a brief, descriptive title for this request.

AMOUNT	(\$15,000)
---------------	-------------------

What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package's total in PBF across all funding sources.

ENABLING AUTHORITY	<p>Statutory Authority - Title 58 of the South Carolina Code of Laws</p> <p>There has not been a revision to the statutory authority.</p>
---------------------------	---

What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input checked="" type="checkbox"/> IT Technology/Security related
	<input checked="" type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	<p>Funds appropriated to the Commission's Other Operating budget will be used to implement enhancements to our Docket Management System and for other Information Technology projects. Also, in response to changing cultures, the Commission will hire security personnel to be present during hearings and meetings. As such, the recipients of the funds would be contractors and vendors supplying the necessary goods and services.</p>
----------------------------	--

AGENCY NAME:	Public Service Commission		
AGENCY CODE:	R040	SECTION:	72

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

ACCOUNTABILITY OF FUNDS	<p>Strategy 1.1 - The Commission uses technology to increase its effectiveness. The public relies on the Commission’s online systems to access information related to its operations. The Commission must budget funds to support maintenance and development of the systems.</p> <p>Strategy 2.1 - The Commission provides expert staff support to the commissioners through analysis and collaboration. The Commission staff relies on an information technology platform that facilitates the collaboration of information and enables electronic workflow of the activities involved in the processing of matters before the Commission.</p>
--------------------------------	--

What specific agency objective, as outlined in the agency’s accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	None
--------------------------	------

For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	None
-----------------------	------

Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	Not applicable.
-----------------------------	-----------------

What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please

AGENCY NAME:	Public Service Commission		
AGENCY CODE:	R040	SECTION:	72

comment on the sustainability of such an approach.

SUMMARY	<p>The Commission regulates the rates and services of investor-owned public utilities in the State of South Carolina and establishes just and reasonable standards for their rates and services. In order to maintain the level of service our customers and stakeholders have come to expect, the Commission intends to use Other Operating funds to implement enhancements to our Docket Management System and other information technology projects designed to increase the efficiency of the Commission’s regulatory process.</p> <p>In response to the changing culture regarding workplace violence, the Commission is intending to use Other Operating funds to employ security at its hearings and meetings for the safety of the commissioners, staff, party representatives, and the public.</p> <p>The Commission’s base budget has remained unchanged since 2004 with no additional revenue. As an Other Funded agency, the Commission is wholly financed from revenue generated from assessing public utilities.</p> <p>The projects included in this request are included in the Commission’s Information Technology Plan.</p>
----------------	---

Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency’s security or technology plan.

METHOD OF CALCULATION	<p>The Commission reviewed all its current Information Technology expenses and future technology needs. It has developed a 10 year plan, which was used to project expenditures for FY 2017-2018.</p> <p>The Commission used current quotes and expenses for estimating expenditures for FY 2017-2018 and applied an inflation factor. If quotes for goods and services deviate from the estimates, funds will have to be diverted from other program areas to complete the required work.</p>
------------------------------	--

How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

AGENCY NAME:	Public Service Commission		
AGENCY CODE:	R040	SECTION:	72

FUTURE IMPACT	<p>The state will not incur any maintenance-of-effort or other obligations by adopting this decision package.</p> <p>The Commission is an Other Funded agency with revenue derived from assessments to the state’s public utilities.</p>
----------------------	--

Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

PRIORITIZATION	<p>Not applicable.</p>
-----------------------	------------------------

If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	<p>Not applicable.</p>
------------------------	------------------------

What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	<p>Key business results are reported for the Commission’s online information systems. The Commission’s Docket Management System continues to be the Commission's most active.</p> <p>On an annual basis, the Commission electronically surveys its stakeholders to evaluate the usefulness of its systems and seeks feedback for improvements.</p>
---------------------------	--

How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

AGENCY NAME:	Public Service Commission		
AGENCY CODE:	R040	SECTION:	72

FORM B – PROGRAM REVISION REQUEST (FY18)

DECISION PACKAGE	10453
-------------------------	--------------

Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Administration - Personal Service
--------------	--

Provide a brief, descriptive title for this request.

AMOUNT	(\$45,000)
---------------	-------------------

What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package's total in PBF across all funding sources.

ENABLING AUTHORITY	Statutory Authority - Title 58 of the South Carolina Code of Laws There has not been a revision to the statutory authority.
---------------------------	--

What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	Not applicable.
----------------------------	-----------------

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

AGENCY NAME:	Public Service Commission		
AGENCY CODE:	R040	SECTION:	72

ACCOUNTABILITY OF FUNDS	Not applicable.
--------------------------------	-----------------

What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	Not applicable.
--------------------------	-----------------

For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	No.
-----------------------	-----

Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	Not applicable.
-----------------------------	-----------------

What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

AGENCY NAME:	Public Service Commission		
AGENCY CODE:	R040	SECTION:	72

SUMMARY	<p>The reduction in funding is due to employee turnover.</p>
----------------	--

Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

METHOD OF CALCULATION	<p>The Commission calculated the total personal services expenditures based on current FY17 salaries.</p>
------------------------------	---

How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>None.</p>
----------------------	--------------

Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

AGENCY NAME:	Public Service Commission		
AGENCY CODE:	R040	SECTION:	72

PRIORITIZATION	Not applicable.
-----------------------	-----------------

If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	Not applicable.
------------------------	-----------------

What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	Not applicable.
---------------------------	-----------------

How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?